

Saving to spend

Tips to spend less and still live well

Modern Woodmen Representative J.B. Griffith, Liberty, N.C., grew up thrifty, and it still comes naturally to him today.

"My mom and dad were raised during the Depression," he says. "They taught me to save money from a young age."

Now, J.B. helps his Modern Woodmen members get their spending in order. He

can do for them."

He gives the example of holiday shopping (which many of us are still recovering from). Shopping for gifts can be lots of fun, but only when there is money to spend. If you're still trying to figure out how to pay for those Christmas gifts in January and February, you may be

increased in the last three years.

So, if you are ready to make changes that will give you a more positive financial future, here are a few tips from J.B. to get you started.

On the fundamentals

You've probably heard that the key to



Modern Woodmen Representative J.B. Griffith helps members like Don and Tabitha Schenkel, Liberty, N.C., put together spending plans rather than budgets.

has helped many families save more each month – for emergencies, opportunities and other specific goals (like retirement or college). This helps put the family on track to financial security.

But don't call it budgeting.

"A budget isn't fun," J.B. explains. "But the freedom of financial planning is to find out what you can do. Some people are a slave to their money, but a spending plan helps people see what their money

a slave to your money. And J.B. points out that there's no room for excuses.

"It's never about how much you make," he stresses. "It's about how much you keep."

Many Americans are beginning to realize the importance of savings, particularly during these years of economic uncertainty. While the personal savings rate in the U.S. has been negative in the past several decades, the rate has

financial independence is paying yourself first. Saving early and resisting the urge to spend money you don't have are also important.

"The fundamentals don't change," says J.B. "If you aren't a saver, you cannot be a spender."

But, how does this advice translate into financial security? The first step is to look closely at your spending.

(Continue to the next page.)

Editor's note: Learn how this article's author, Kim Woodward, took a closer look at her spending to shave off an additional \$593 in one month.

On planning

"Hope is never a strategy," J.B. says. "Hoping your 401(k) will do what you want is a recipe for disaster."

Instead, take an in-depth look at your income and spending habits to uncover areas where you may be able to save. Even a few dollars a day can add up to be big savings down the line.

"Lots of people have no idea where all their money is going," J.B. says.

He talks to many members who can readily discuss their mortgage, car payments and credit card bills. But when they are asked about the amount spent on dry cleaning, out-of-pocket medical expenses or drive-through hamburgers, they are not sure how it adds up. That's where representatives like J.B. come in.

"I make sure that no stone is left unturned," he says. "It is rare that I can't find a few hundred dollars for them to save each month."

On pitfalls

In addition to these variable expenses, J.B. says there are other common areas where many of us overspend.

Take a close look at your mortgage and property and casualty insurance. You could be able to get lower rates by shopping around or refinancing.

Look at all of your deductions on your pay stub. Do you know what they all are? If you are paying for things you aren't sure about, it may be possible that you are signed up for employer-sponsored programs (like group disability insurance) that are duplications of personal coverage.

If you received a big tax rebate last year, think about how that money could work for you throughout the year. Many people spend rebates frivolously, when the money could boost retirement, college or emergency savings on a monthly basis.

On consistency

While \$200 of savings in one month is great, the real power comes with \$200 every month over 30 years. Once you take the first step, the success you have will fire you up and keep you going. And by focusing on what you can do with your new savings, you'll barely remember what you've cut.

"It's never about what you are giving up," says J.B. "It's about what you are gaining."

On protection

Once you begin saving more each month, it's a good time to think about whether your family is adequately protected with life insurance. Life insurance can be fairly inexpensive, particularly if you are young and in good health.

"If you are alive, we'll make sure everything works with your spending plan. But if someone dies, we'll make sure everything works with life insurance," J.B. says.

On discipline

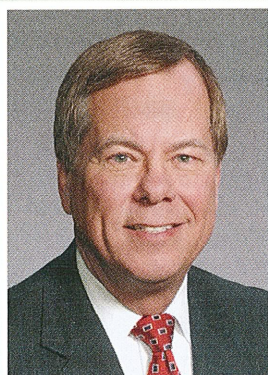
If you start planning and saving now, no matter where you are in your life, you can reap the benefits.

As J.B. says: "There is an older you who desperately hopes you are making the right decision now."

By taking a little time now to track your spending and save more, you can prepare for a more financially secure future. *by Kim Woodward*

There is an older you who desperately hopes you are making the right decision now.

– Modern Woodmen Financial Representative J.B. Griffith, Liberty, N.C.



Larry Schreiber

Modern Woodmen committed to managing risks

Modern Woodmen of America's Board of Directors recently consolidated risk management responsibilities into a new area called the Office of Risk Management. Larry Schreiber was appointed chief risk officer, effective Oct. 1.

The Office of Risk Management better positions Modern Woodmen to integrate responses to multiple risks that could impact the organization at any one time.

"Creating the Office of Risk Management shows our serious commitment to balancing risks and rewards as our organization

continues to grow," says President W. Kenny Massey. "It also reaffirms our commitment to putting our members' interests first and providing value to them."

Schreiber had served as Modern Woodmen's chief actuary since 1984. He was appointed to the Board of Directors in January 2011.

Michael S. Andrews became chief actuary on Oct. 1. Andrews has been employed with Modern Woodmen since 1984, and he had served as manager of actuarial research since 2001.



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Personal profile

How we cut our monthly spending by nearly \$600

Boy meets girl. It happens every day in every corner of the globe. But there are certainly more complexities to the simple act of meeting your future spouse. When I met my husband, Ryan, the complexity was money. (Isn't it always?)

In our case, saver met spender. (In case you are wondering, I was – and am – the spender.)

Over the years, we have grown to understand each other. I've come to respect that Ryan's penchant for peanut-butter-sandwich lunches is a simple way he saves money every day. And he's come to realize that sometimes I just can't pass up a great deal on a pair of sling-back shoes.

We took a good, honest look at our savings and spending when we got married, and we learned to be open about money from the start. We're doing a good job of putting away a portion of our income for a rainy day, big purchases and retirement. But there's always room for improvement.

So when the opportunity arose to take a closer look at our spending with the goal of ramping up savings and cutting unnecessary purchases, I jumped at the chance. And my ever-thrifty husband was thrilled to see his wife take a liking to

Excel spreadsheets and diligent tracking of spending.

The first step was to look at our current money situation. It looked good at first glance. But after speaking with Modern Woodmen Financial Representative J.B. Griffith, we found some areas where we consistently overspend and areas that seemed higher than necessary. For us, these areas were food (eating out and groceries), gifts, home owner's insurance and personal spending.

At the end of one month, we managed to spend \$593 less, which strengthened our current savings. My husband was thrilled with my new-found thriftiness, and I was proud of how the small changes we made really added up.

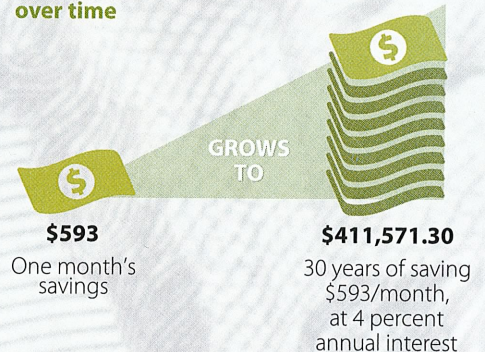
Here's how we did it:

- During some months, we've spent a bundle eating out. To cut back, **we focused on eating at home** during the week, entertaining friends on weekends and using coupons when we dine out.
- Our groceries budget was out of control. And we were throwing out good food when it spoiled. To save, **we started planning meals a week in advance** and stuck to a shopping list.

- I have a tendency to overspend on gifts for friends and family. So, **we set a cap on gift spending** for weddings, birthdays and just-because occasions. This helps us plan ahead for giving.
- To avoid impulse purchases, **I used cash for my personal spending**. This made me think a lot harder about those sale-price cardigans I was lusting over. And when the money was gone, I had to stop spending.
- Because we recently moved, **I took the time to call my home insurer to check my coverage**. By simply asking for a second look, we were able to save on our premiums.

The additional \$593 that we saved in one month may not sound like much. But over time it makes a big difference.

Growth of the monthly savings over time



Get your spending on track

Is now the time to get your spending and savings on track?

- Meet with your Modern Woodmen representative to discuss your goals and work out savings strategies. As part of the new Planning for Life system, your representative can share a spending plan worksheet that was developed by Modern Woodmen Financial Representative J.B. Griffith. This is the first step to find out where your money is going.
- Go online at modern-woodmen.org and modernwoodmenbank.com to find a variety of savings tools.