

Secrets of budgeting



It's time to polish up your penny-pinching skills. We're stuck in the worst recession in a generation, and managing your money is more critical than ever. "Americans are

STRETCHING



YOUR DOLLARS

mad about money right now, and we should direct that in positive ways," says Jeff Yeager, personal-finance expert and self-proclaimed cheapskate. In a five-day series, The Associated Press will share expert advice on budgeting that goes beyond the basics. Today, we explore some lesser-known tactics.

Don't over-budget

Living on a strict budget works fine for many people. But for others "budgets are painful and ineffective," says Ken Robinson of Practical Financial Planning. Instead, pay a set sum into a savings account whenever you get paid. Make it the first thing you do—you'll find it's possible to live off the rest when you don't see extra money.

HALT

Hungry, Angry, Lonely or Tired. When you're any of these four things, you should avoid shopping because it leads to bad spending decisions, says Mary Ellen McCarthy, advisor with Responsible Investing. Deal directly with whatever is making you unhappy instead of shopping to feel better, she says.

Audit the guilt

That three-speed juicer mocking you? Most of us deal with the occasional case of buyer's remorse. Yeager suggests sitting down as a family to conduct a "What the Heck Was I Thinking" audit. Take out receipts, go over bank statements and credit card bills and see how many purchases you wish you could wipe out. You'll notice some patterns and learn from your mistakes. At the very least it could trigger an alert the next time you start to fork out for the latest tech gadget.

Fiscal fasting

Go a week, a few days or even one day without spending a dime. "It made me realize how much money I'm really ripping through," Yeager says. You'd be surprised how much you can save, and it opens your eyes to things you can live without. \$1.99 for a Dasani? Don't think so. It also provides a reminder that we can still have fun without spending any money.

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