

Five Quick Steps to Keep More Money in Your Pocket

Most consumers have surely noticed that the costs of many basic goods have also crept higher, taking a toll on their monthly budgets. The Massachusetts Society of CPAs offers these suggestions on the best ways to boost the cash in your pocket.

Make the Most of Your Allowances

The number of withholding allowances that you take will affect the amount you receive in your paycheck each week. That's why it's important to be sure that you are taking all of the tax deductions for which you qualify. Parents in particular should be aware that for each dependent child, you can take an extra withholding allowance, which means that less money will be withheld from your paycheck every week. In addition, families are allowed a \$1,000 child tax credit for each qualifying child under age 17 as of the end of the year. Be sure that you only take the allowances for which you qualify, however, because taking too many could leave you with a large tax bill next April.

Use Your Flexible Spending Accounts

Many companies offer health or dependent care flexible spending accounts that allow you to set aside pretax dollars to cover health or childcare needs during the year. Because of their tax advantages, these accounts are great ways to save a few dollars on necessary spending.

Be a Smart Shopper

Groceries take a big bite out of every family's budget, but there are ways to cut costs and still get what you need. One good step is to spend some time before you shop collecting coupons from newspapers, mailers and your local market's Web site, and remember to look for specials once you get to the store. You'll also likely spend less money overall if you plan a week's worth of meals in advance, rather than racing through the store right before dinnertime. If possible, try to shop at more than one store so that you can take advantage of each one's sales. And don't forget to stop by your local farmer's market when buying produce because you may find lower prices on fruits and vegetables that are in season.

Make Smart Credit Choices

Paying off your entire monthly credit card balance each month is one of the best ways to eliminate a needless expense. When you carry a credit card balance, you end up paying finance charges on purchases that you might have made months ago. Cutting out those finance charges can save you hundreds of dollars

a year. Be sure, as well, to make your payments on time to avoid paying finance charges or late fees.

Stick to Your Budget

Following a budget won't save you cash immediately, but it will help you organize and plan so that you can get a better grip on your spending. A monthly budget spells out how much money you have coming in, how much of that you need to pay your bills and what's left over once you've covered your regular expenses. It can give you a clear picture of your financial situation and can be used as a blueprint for future spending plans.

Consult Your CPA

Need more smart savings tips? Visit www.feedthepig.org. Feed the Pig™ is a component of the 360 Degrees of Financial Literacy effort (www.360financialliteracy.org) which aims to help Americans manage their finances through every stage of life. "Feed the Pig" is a public service campaign promoting financial literacy for Americans age 25-34. And don't forget that your local CPA can offer advice on creating a budget and making smart choices that will help lower your everyday expenses. Consult him or her with all your questions about financial issues facing your family.

If you would like to consult with a CPA and do not have one, visit the Massachusetts Society of CPAs' Find a CPA Directory. You can search by service, industry, city, region, ownership and language. Visit the Find a CPA Directory: http://www.msccaonline.org/public/find_cpa.php