

MANAGING IN TOUGH TIMES

FAMILY FINANCIAL MANAGEMENT

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THIS MONTH'S TOPIC: Resisting the Urge to Splurge

Marketing has made it both appealing and easy to obtain "more bang for our buck," such as when we up size a meal at a fast-food restaurant or upgrade to a premium cell phone or cable package. Often, it can be very tempting to receive "more" for what appears to be a relatively small amount of additional cost. The extras, however, can definitely add up!

Due to fast-paced lifestyles, many families are tempted to eat fast-food meals, which can be both unhealthy and expensive. We all make decisions every day about the type and quantity of food we eat. The average meal deal at fast-food restaurants costs between \$5.00 to \$7.00. If a family of four eats out three days per week, the family will spend nearly \$4,000/year on fast food!

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Consumers are often tempted to buy the extras offered with larger packages

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Food choice is just one example of how consumers are tempted to spend more in an effort to get more for their money. Cable television providers and cell phone carriers are examples of companies that commonly “bundle” services into larger, more expensive plans.

Like many of our household bills, communication services, such as cable, phone, and internet, should be reviewed on an annual basis. Compare your use of the services to the price you are paying. Consumers often do not fully utilize their contracted services.

- Do you pay extra for an unlimited data plan, but only use a small amount data every month?
- Do you send a large number of texts every month, but only have a small number of monthly texts included in your plan?
- Do you have premium movie packages on your cable or satellite plan but find that you do not watch many movies?
- Do you have a land line telephone with unlimited long distance and have a cell phone with unlimited minutes?

Bundling packages can be beneficial, if you need and use all of the services provided in the package. Although additional features and options can be tempting, review the terms and conditions of bundle offers. Evaluate each component of the bundle-deal separately. For example, if you are considering a home cable, internet, and land line phone bundle, price each option separately for the exact service or product that would best fit your needs.

Reviewing each option individually allows you the opportunity to determine the service that best fits your lifestyle and budget.

- If you have an unlimited cell phone plan, you may decide to completely cut your land line or only need a very basic land line.
- If you like to watch movies, compare the price of

adding on premium movie channels to online movie streaming services.

- Higher internet speeds are often very tempting, but do your research. How do you use the internet? If you are surfing the web and sending emails, a lower bandwidth may be sufficient. If you stream high volumes of content or online gaming, you may want a higher bandwidth.
- If you choose to bundle services with promotional pricing, be aware of long-term costs of the services and how to change your plan when the promotional period ends. Be certain to mark the date in your calendar so that you remember to take action.

Consumers have many options for cable, satellite, phone, and internet services. Shopping for different providers can help you find the service that best fits the needs of your family. If you find a plan with a different carrier at a lower cost, check with your current provider before switching. Many providers will have customer retention departments; customer service agents will often work with you to offer a better plan to retain current customers.

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