

Ultimate Tips to Bridge the Gap Between Rent & Your New Mortgage Payment

Brought to you by Amy DeBusk Home Loans

Step-by-Step Guide to Saving Money and Generating Extra Income

1. Temporarily Pause or Reduce Retirement Contributions

You can free up cash flow during your first year of homeownership by pausing or reducing your retirement contributions. This provides immediate savings, allowing you to adjust to higher mortgage payments while minimizing long-term financial impact.

- **Immediate Cash Flow Boost:** If you contribute 10% of your salary to a 401(k) or IRA and make \$60,000 annually, that's \$500 per month you can free up. While this is only temporary, it gives you breathing room to adjust to higher monthly housing costs.
 - **Minimal Long-Term Impact:** Pausing contributions for a year has a limited impact on long-term retirement savings. You can make catch-up contributions or increase your contribution later once you're comfortable with your new mortgage.
 - **Catch-Up Contributions Later:** Retirement plans often allow you to make extra contributions in later years to help you recover any paused savings.
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2. Remove Paid Apps and Unnecessary Subscriptions

Many people continue paying for apps and subscriptions they no longer use. By auditing these recurring charges, you can free up extra cash each month.

- **Remove Paid Apps:** Go through your app store subscriptions (Google Play or Apple App Store) and cancel any paid services or apps you no longer use. Common culprits include premium versions of fitness, music streaming, or gaming apps. For example, downgrading from Spotify Premium to the free version can save you \$10–\$15 per month.
- **Audit Your Bank Account:** Perform a detailed audit of your bank and credit card statements to find recurring charges you may have forgotten. Services like Truebill or Mint help you track and cancel subscriptions automatically.

- **Cancel and Reissue Bank Card:** Cancelling your current debit or credit card forces all automatic payments to stop, giving you a chance to reassess which subscriptions you want to keep.

Savings Potential: \$10–\$50 per month.

3. Lower Your Monthly Bills

Negotiating your utility bills, insurance premiums, and phone services can result in significant monthly savings. Many companies are willing to offer better rates, especially if you've been a long-term customer.

- **Negotiate Utility Bills:** Call your internet, cable, and phone providers and ask for a lower rate. Consider downgrading to a less expensive plan if you're not using all the services. If your provider won't offer a better rate, shop around for better deals.
- **Lower Insurance Premiums:** Look into switching auto, home, or health insurance providers for lower rates. Bundling home and auto insurance can also result in discounts. Check with your provider for any applicable discounts you may qualify for, like safe driving or home security systems.
- **Switch to a Cheaper Cell Phone Carrier:** Switching to an affordable carrier like Mint Mobile or Tello can cut your phone bill dramatically. Here are some low-cost options:
 - **Mint Mobile:** Starts at \$15/month for 4GB of data on T-Mobile's network.
 - **Tello:** Offers plans starting at \$10/month for 1GB of data on T-Mobile's network.
 - **Visible by Verizon:** Offers unlimited data for \$25/month through Verizon's network using "Party Pay."
 - **Cricket Wireless:** Starts at \$30/month for 5GB of data on AT&T's network.
 - **US Mobile:** Customizable plans starting at \$15/month with 2.5GB of data.

Savings Potential: \$20–\$100 per month, depending on the bills you reduce.

4. Cut Your Grocery Bill

Food expenses can add up quickly, but there are ways to save significantly on groceries by shopping smarter and using tools available to maximize savings.

- **Coupon Clipping and Digital Coupons:** Use grocery store apps like Safeway's Just for U or Raley's digital coupon system. Combine store deals with manufacturer coupons for additional savings.

- **Shop at Discount Grocers:** Visit discount grocery stores like Grocery Outlet, WinCo, and 99 Cents Only Stores. These stores offer significant savings on bulk and closeout items. WinCo also has a bulk bin section for buying only what you need in items like grains, spices, and pasta.
- **Meal Plan Around Sales:** Check weekly ads for your local grocery stores and plan meals based on what's on sale. Apps like Flipp let you compare ads from multiple stores to find the best deals. Stock up on non-perishable items and freeze sale items like meats.
- **Shop at Farmers Markets:** Sacramento Valley has an abundance of farmers markets offering fresh, local produce at affordable prices. Shopping near closing time often leads to additional discounts as vendors clear out stock.
- **Buy in Bulk at Warehouse Clubs:** If you have a membership to Costco or Sam's Club, buying non-perishable or freezer-friendly items in bulk can save you money in the long run. Items like rice, pasta, canned goods, and frozen foods are typically cheaper in bulk. Keep an eye on warehouse promotions for even deeper discounts.

Savings Potential: \$100 or more per month.

5. Maximize Cashback and Rebate Apps

Rebate and cashback apps can provide savings on your regular grocery and household purchases, essentially giving you money back on items you're already buying.

- **Ibotta:** Earn cashback on groceries by scanning your receipt after shopping. The app frequently has offers on common grocery items like milk, bread, and eggs.
- **Fetch Rewards:** Fetch allows you to scan any grocery receipt to earn points that can be redeemed for gift cards to stores like Amazon and Target.
- **Rakuten:** For online shopping, Rakuten offers cashback on thousands of retailers, making it a useful tool when shopping for household items or larger purchases.

Savings Potential: \$5–\$50 per month.

6. Review and Cut Entertainment and Membership Costs

Entertainment services and memberships can add up over time. Cutting back or canceling unused subscriptions can free up additional funds each month.

- **Pause or Cancel Streaming Services:** If you're paying for multiple streaming services (Netflix, Hulu, Disney+, etc.), consider pausing or canceling them, especially if you're not using them often. You can always resume subscriptions later when your budget stabilizes.

- **Cancel Unused Gym Memberships:** Many people pay for gym memberships they don't use. Consider canceling your membership and switching to free alternatives like home workouts or outdoor activities.
- **Eliminate Magazine or Digital Subscriptions:** If you're subscribed to magazines, newspapers, or digital media that you rarely use, cancel them and access similar content for free online.

Savings Potential: \$10–\$50 per month.

7. Use Financial Tracking Apps

Using financial tracking apps can help you stay on top of your spending, create a budget, and identify areas to cut back. You'll be able to track all of your accounts and spending habits in one place.

- **Truebill:** This app helps you find and cancel unused subscriptions and even negotiates bills on your behalf. It's a powerful tool for keeping your monthly expenses in check.
- **Mint:** Mint allows you to track your bank accounts, credit cards, and bills in one place. The app categorizes your spending, making it easy to see where your money is going and where you can cut back.
- **YNAB (You Need A Budget):** YNAB is a proactive budgeting app that assigns every dollar a "job," helping you manage your budget more effectively and save for future goals.

Savings Potential: Varies based on how much unnecessary spending you cut.

8. Switch to a Cash-Back or Rewards Credit Card

Take advantage of cash-back or rewards credit cards that earn you money on everyday purchases like groceries, gas, and household items. These rewards can be redeemed as statement credits or used to help cover essentials.

- **Cash Back on Groceries:** Look for credit cards that offer cash back on groceries (some offer up to 5% back).
- **Rotating Categories:** Some cards offer 5% cash back on rotating categories like gas or restaurants. Keep an eye on your card's rotating categories and plan purchases accordingly.

Savings Potential: \$10–\$30 per month, depending on spending.

Generate Extra Income to Help with Mortgage Payments

Ask for a Raise

If you've been performing well at work and feel you deserve a raise, now may be the time to ask. Be prepared to present a strong case for why you deserve an increase in pay. Highlight your accomplishments, any additional responsibilities you've taken on, and show data on what others in your field are earning.

- **How to Approach:** Schedule a meeting with your manager. Prepare by researching salary ranges in your field and listing your achievements, projects, and contributions to the company.
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Start a Side Gig or Freelance Work

Taking on a side job or freelance work is another effective way to boost your monthly income. There are plenty of flexible side gigs that allow you to work at your own pace.

- **Drive for Uber, Lyft, DoorDash, or Postmates:** These gig economy jobs offer flexibility, allowing you to work as much or as little as you want.
 - **Freelance on Fiverr or Upwork:** If you have a marketable skill, like writing, graphic design, or social media management, websites like Fiverr and Upwork let you find freelance gigs that can be done on your schedule.
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Sell Unused Items Online

Many people have valuable items sitting around their homes that they no longer use. Decluttering and selling those items online can generate extra cash.

- **Sell on Websites and Apps:** Use platforms like Facebook Marketplace, Letgo, Craigslist, OfferUp, or eBay to sell items such as electronics, furniture, clothing, and household goods.
 - **Hold a Garage Sale:** If you prefer in-person sales, host a garage sale to sell off unused items.
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Rent Out Extra Space

If your new home has extra space, you can rent it out to generate additional income.

- **Rent a Room:** Consider listing an extra room in your home on Airbnb for short-term rentals. Even renting it out for just a few weekends a month can provide significant extra income.
 - **Rent Out Storage Space:** If you have extra garage or basement space, you can rent it out to others who need storage. Many people are willing to pay for secure storage close to home.
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Sell Handmade or Unique Items

If you have a hobby like crafting, photography, or baking, you can turn it into a side business.

- **Etsy:** For handmade items like jewelry, artwork, and home decor, Etsy is a popular platform for selling unique goods.
 - **Local Farmers Markets or Craft Fairs:** If you make items like baked goods, candles, or art, local markets and fairs are great places to sell.
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Amy DeBusk Home Loans – Your Trusted Mortgage Advisor

No one understands the challenges of transitioning from rent to homeownership better than Amy DeBusk. With over 26 years of experience and a reputation for offering the best mortgage options for first-time homebuyers, Amy is here to guide you every step of the way.

"I'm passionate about helping people realize their dream of owning a home without the stress of financial strain. Let's work together to find a mortgage solution that fits your needs!"



Contact Me Today!

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