

Financial Expert Shares Simple Strategy to Stop Living Paycheck to Paycheck & Save Money

HOUSTON, TEXAS, UNITED STATES, February 26, 2024 /EINPresswire.com/ -- With inflation and higher interest rates affecting people's wallets, too many Americans are living paycheck to paycheck.

According to recent research from Lending Club, 62% of adults in the U.S. report living paycheck to paycheck and don't have any money left over after they pay their monthly bills.

In her new book, [Bounce Back: The Ultimate Guide to Financial Resilience](#), personal finance expert Lynnette Khalfani-Cox shares insights to help those with economic challenges reset their finances.

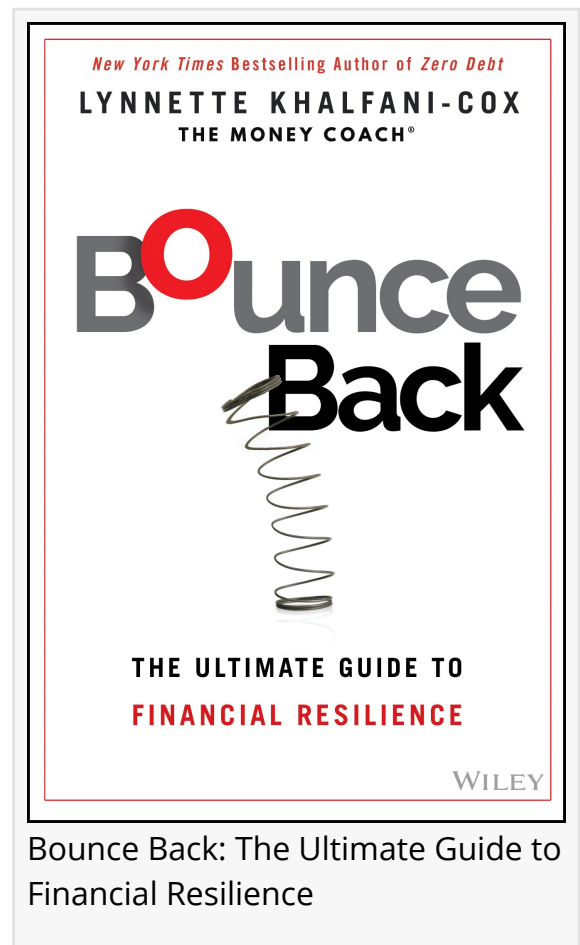
To escape the stressful cycle of living paycheck to paycheck, Khalfani-Cox says people must "switch up" their financial habits for different outcomes.

"A painless way to stop living check to check is to simply switch the spending you're already doing into more affordable alternatives. I call this my 'switch and save strategy' and it's foolproof," she adds.

Here are 10 spending switches that Khalfani-Cox urges struggling consumers to make:

1. Prescriptions

According to data from the CDC, 60% of Americans take prescription medicines, spending an average of \$1,200 per year. However, prescription drug costs can be slashed by 70% annually just by switching from brand name to generic drugs. By law, generics must contain the identical active ingredients as brand-name medications, so there's no threat to a patient's health. Savings: \$840 per year.



2. Groceries

Packaged, processed foods at the grocery store cost about 25% more compared to buying basic healthy ingredients. Swapping out pre-made frozen meals and packaged snacks for whole foods like grains, proteins, fruits, and vegetables could save a family of four around \$1,500 per year.

3. Phone Service

Most Americans buy a new phone every two or three years. Instead of purchasing a \$1,000 smartphone, switch from regular post-paid phone service to a prepaid phone. [Straight Talk Wireless](#) has affordable prepaid phones and no-contract plans as low as \$25 a line. Swap into their family plan for the best value and save \$960 a year.

4. Credit Cards

Credit card interest rates are currently averaging above 20% in 2024. Don't pay hefty interest rates and stay in debt longer than necessary. Switch cards by doing a balance transfer and taking advantage of a 0% APR credit card deal. "If you owe \$10,000 on your credit cards, you'll save \$2,000 in interest just by swapping into a 0% credit card deal that lasts for 12 months," Khalfani-Cox notes. [CardRatings.com](#) is a site that reviews credit cards and shows the best credit card offers currently available.

5. Childcare

Childcare is a major expense. Daycare costs over \$10,000 a year; nannies run \$20,000+ annually. Slash childcare costs by doing a nanny share with a local family. A nanny share is when two or more families "share" a nanny by employing the same caregiver for their kids during the same hours. "This lets you split the cost of the nanny," Khalfani-Cox says. "This one move could put \$5,000 to \$10,000 or more back into your budget per year." Check Facebook and neighborhood groups to get started.

6. Clothing

Instead of chasing expensive fashion trends from designer brands, stick to classic styles from stores like H&M or Zara. Consumers can find quality pieces for a fraction of the cost. The result: instead of dropping thousands of dollars annually on designer goods – including things that probably won't get worn often – save \$1,000 or more each year on apparel by focusing on value items and favoring lesser-known or store-brand clothing.

7. Housing

Admittedly, swapping the place where a person lives is an idea that requires the most effort. But



Lynnette Khalfani-Cox -
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downsizing to a smaller home or apartment or a less expensive neighborhood could result in hundreds of dollars saved per month. Even just moving 15 minutes farther away can often provide significant rental or mortgage relief. Savings: \$200 to \$500 per month or \$2,400-\$6,000 per year.

8. Internet Service

Cut home internet bills in half by calling to negotiate a better rate or switching to a budget provider. Low-cost plans typically start at around \$50 per month. Savings: \$30 to 60 per month, or \$360 to \$720 per year.

9. Auto Insurance

"Have you shopped around for lower auto insurance rates recently?" Khalfani-Cox asks. Just switching to a different provider can often save customers 30% or more per month. Even without switching insurers, consider switching a car insurance deductible by raising it. That will save money, too. Savings: \$40 to 80 per month or \$480 to \$960 per year.

10. Eating Out

Plenty of Americans eat out – and many restaurants pile the food on, affecting their customers' waistlines and their wallets. An easy swap: split an entrée when dining out with another person. Instead of getting separate plates, split one entree to save about \$15 to \$25 per meal. Diners can supplement with a side salad or appetizer if they're still hungry. Over a year, a couple can save \$1,000 or more with this strategy.

By swapping out the ten budget-busters listed above for their more affordable alternatives, you could easily bank over \$10,000 in savings annually.

That money can be used for an emergency fund, debt payoff, or investing for the future to avoid living paycheck to paycheck.

The small effort to make these easy switches is worth it for the peace of mind it will bring.

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