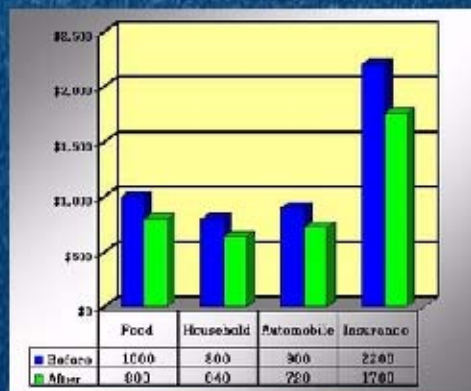


Reduce Your Monthly Budget By 20%

Using Simple Budgeting Strategies



By Douglas R. Hayman

The "Budget Surgeon"

<http://www.BudgetSurgeon.com>

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Introduction

Thank you for purchasing this book.

My name is Douglas Hayman. My friends and family refer to me as the “Budget Surgeon.” This moniker was affectionately bestowed upon me for the diligence that I display towards the household budgeting process, and my uncanny ability to research, diagnose and repair poor home budgeting practices.

Let me set the tone for this book right from the outset. There are 3 things that are most important to people in their lives: health, happiness, and financial stability. I’m not going to prioritize the importance of these 3 items, but suffice it to say that financial stability has a strong effect on most people’s health and happiness.

This may be one of the most important books that you ever read in your life. If read, digested, and applied properly, this book can significantly increase your financial stability, and positively affect all aspects of your life. A pretty bold statement indeed, but I truly believe this, and hope to make you a believer as well.

This book is a non-fluff, straight-to-the-punch cookbook on how to successfully and significantly reduce your monthly household budget by 20% (or more), by targeting key areas of your spending. I have not included needless story telling and unnecessary verbiage, to help make this book clear and concise. You do not need a book that takes 400 pages of written material to communicate what should only take 120 pages to describe. You do not need a book that rambles on before a salient point is actually made. What you do need is a concise cookbook of rules and techniques that can immediately be applied to your household budgeting situation, and that can make an immediate impact on your monthly budget numbers. That is the intent and focus of this book.

Please understand that this book does not directly focus on how to create a budget and how to technically implement and keep track of a budget. This book takes an entirely different approach on this subject. Most importantly, it identifies many individual items of budgeting, where simple application of proven strategies, can have a significant, positive, and lasting impact on your monthly household budget. Please do not expect each specified strategy to be directly applicable to you. More importantly, read the entire book, and then implement the effected areas of your budget with our basic rules and principles, that are applicable to you. The aggregate net effect of applying my strategies can and will have a significant impact on your overall monthly budget.

Now, here is a very brief introduction of myself. This is not a rags-to-riches story. I am not going to tell you how implementing my strategies turned me from a pauper to a rich person. Believe me, that is not the case. However, what I am going to tell you is how disciplined, prudent budgeting techniques, helped solidify my family budget, and strengthened my financial position to a very large extent.

As of this writing, I am 52 years of age, and have been self-employed (home-based) for the past 9 years, in several businesses, which include affiliate marketing, B2B technical sales lead generation, residential real estate sales, information technology consultancy, stock and futures investment and trading, and yes, being an author. I have degrees in both Computer Science (Masters) and Economics (Bachelors) from a leading University (Stony Brook University), and previously had a 19-year career in Information Technology (mostly in management). The majority of my IT career was spent with a Fortune 100 international financial services (and technology) company where I managed multi-million dollar departmental budgets. I own my home free-and-clear, own 4 family cars outright, pay cash for my children's college educations, and have zero debt to my name. My wife works part-time, and collectively, we pay all of our bills on time each and every month, and have a decent-sized nest egg, which includes a diversity of investments, and two 401K accounts. We live in Long Island, NY, which is one of the most expensive areas in the country to live in, so our basic living costs are extremely high, relative to many in the United States.

We are not a showy family. We live in a well kept, modest home in an upper-middle-class neighborhood. We do not live in the most expensive home on the block, we do not drive the newest and sexiest cars, we do not wear designer clothes, we do not take fancy family vacations, and we do not throw lavish entertainment parties. We live very modestly and truly live within our means and budget, which is more than I can say for most people I know. Additionally, I am a total believer in the doctrines set forth in Thomas J. Stanley's best selling book, "The Millionaire Next Door." In that extremely revealing classic, Stanley describes how most millionaires live a modest, non-showy lifestyle, and those who are driving around in the fancy cars and live in the most expensive homes, are very often the ones who have no money to their name, and are in debt up to their eyeballs. I want you to start identifying with Stanley's type of millionaire—be more concerned with savings and spending strategies, rather than attempting to put on a show for your friends and neighbors. Another key point to remember is that spending more for an item (perhaps by buying a brand name) does not mean that you are obtaining better quality or better value for your money. That is the Madison Avenue hype that many companies portray via their advertising. Do not get sucked into that mentality, where you have to "buy the best" to keep up with the Joneses. You will be on a misguided path if you fall for that hyperbole.

Here is a very key point—I mentioned several businesses that I am currently involved in above, but there is one additional business that I am fully involved with, and by far, it is the most important business of all. That business is **managing my Monthly Household Budget**. Notice that I used the word "business" to describe managing my budget. Unlike most people, I treat my monthly expenditures as a business—always looking to improve the services that I pay for by finding better deals, and reducing resultant costs. I always aim to get the best bang for my buck through increased services at cheaper costs. When I find a particular budget item that can save me \$100 per month, I do not only look at this as a savings, but I treat it as if I just received a \$100 per month raise, which translates into a \$1,200 per year salary increase (assuming that it is recurring monthly). Yes, by being diligent and

resourceful, I just gave myself a \$1,200 raise for the year, which, by the way, is cumulative in effect, year-over-year. Wow! Now imagine if I can replicate this feat for multiple items in my budget, again and again. That is going to be some kind of hefty raise that I am giving myself. You see, by treating my monthly budget as a business, I provide myself with a means of increasing my disposable income and savings. I do not need a boss to give me a raise; through diligence and resourcefulness, I can give myself a raise, again and again, over and over, year over year. The long-term, cumulative effects of doing this can be quite staggering, to say the least, and one's overall net worth will increase substantially over the years, by putting this "business practice" in place.

I am an extremely compulsive and diligent budget person. Regardless of how large or small a household expenditure is, I record it in a tracking spreadsheet. I think my wife thought that she had married some kind of compulsive lunatic, when I implemented this system in my household. But, as time moved on, she recognized and understood the value of the budgeting system that I put into place in our household. Moreover, I have taught my 3 children the value of money and budgeting, and have attempted to interject these principles into their lives as much as possible. No doubt, that as adults, they will be much better off because of this.

I know exactly how much money I am spending in each category of expenditure on a daily, weekly, monthly, and yearly basis. I can honestly say that I have no friends, family, neighbors, or acquaintances that are as diligent and passionate about budgeting as I am. As a matter of fact, most people do not truly understand the art of budgeting. Sure they use the words "not in my budget" in conversation; but few, if any, actually understand what their budget looks like, how much it costs them to live each and every month, and how much money is going out-the-door in regard to their bills and expenditures for goods and services that they have procured. Many people I know constantly waste their money on frivolous spending, and neglect basic budgeting techniques and practices. Some of these areas of budgeting, mentioned in the remainder of this book, can individually save them hundreds of dollars per month, if implemented. This lack of people's understanding of basic budget rules and practices is what provided me with the serious impetus for writing this book. I really felt the need to get the word out, and help people gain control of their financial lives, with practical suggestions for trimming their household budgets.

OK, enough evangelizing, and now let me get to the nuts and bolts of this book. Each remaining chapter of this book targets a specific Strategy item in a set of Budget Categories. Some categories have more budget strategies listed for it than others. Some budget strategy savings suggestions will be relatively small in nature, but please do not discount these. After all, these little items do add up, and the net effect of the sum of all applied budget savings strategies, is what counts. And please do not worry; we have some big-ticket savings strategies on this list. That said, the following budget categories are addressed in the remainder of this book, and they are listed in approximate size order—that is, the categories that yield the smallest saving are listed first, and the ones later on are the bigger ticket items that can yield the most savings. These budget categories are:

- Food
- Shopping
- Clothing
- Utilities
- Lawn/Garden
- Entertainment
- Household
- Weddings and Gifts
- Banking/Finance/Bill Paying
- Automobile
- Vacation
- Medical/Dental
- Other Insurance
- Taxes
- Education
- Mortgage
- Cost of Living

Here is how I want you to develop a personalized **Budget Action Plan** while reading this book. I want you to buy a notepad (or alternatively, feel free to use a word or text editor on your computer, smart phone, or e-reader to accomplish the same purpose), and create 2 columns:

- Category: Strategy
- Budget Action

Read through each chapter, one-by-one, and concentrate very hard on how the designated category and budget strategy item can seriously be applied to your household budget situation. Keep in mind that not every chapter in this book may be applicable to you or in some instances, may seem overly simplistic or obvious. If relevant to you (and most will be), write down the budget category and budget strategy item, and one or more budget actions that you need to implement to put the category and strategy into place, keeping your personal situation in mind. Continue to do this for every chapter in the book. Again, make every attempt to apply each category and strategy to your situation. Do not ever dismiss a particular category and strategy item because it only saves you \$10 per month—these small items add up fast, and the overall aggregate monthly savings, when all is tallied up, will simply amaze you! When you have completed the book, review your Budget Action Plan, and start implementing your Budget Actions, one-by-one, on a monthly, or need-be basis. By the way, it would not hurt if you read this book more than once—multiple readings may easily facilitate new ideas and additional Budget Actions that can be implemented in your Budget Action Plan.

An example of the beginning of your 2-column Budget Action Plan list might look something like this:

BUDGET ACTION PLAN

Category: Strategy	Budget Action
Food: Shop at Cheaper Locations	Research supermarkets
Food: Shop Less Frequently	Look to shop bi-weekly
Food: Shop Less Frequently	Buy freezer for basement
etc.	etc.

If you are honest with yourself, extremely diligent about implementing these budget actions, and have the necessary discipline to stick with it, there is no reason why you cannot reduce your monthly household budget by 20% (or more) in a given year. This should be an on-going process, year-after-year, as you continuously review your expenses annually, to obtain that raise that you deserve!

Before moving on with the rest of this book, I would like to mention that I love hearing from all of my readers. I encourage each and every one of you to Email me directly with your thoughts, comments, favorable reviews, criticisms, and suggestions. I promise to respond to all of your Email queries personally, in a timely fashion. You can Email me at Support [at] BudgetSurgeon [dot] com. Moreover, if you feel that my book has had a profound effect on your budgeting habits (and I know it will), please do not hesitate to leave a short review under my book Title, at Amazon.com (<http://www.Amazon.com>), Barnes & Noble (<http://www.BN.com>), or at Apple's iBookstore. Let others know what this book has done for you.

One last thing—during the course of this book, I will occasionally mention specific vendor names to help illustrate my ideas and examples. None of these vendors pay me anything for referencing them; I just identify them to help illustrate some of my points, and mentioning them is not an endorsement for them in any way, shape, or form.

I hope you enjoy and benefit from this book as much as I enjoyed writing it and implementing its principles over the years. A lot of effort, dedication, sincere beliefs, and heart and passion went into its development efforts. Please read each and every chapter of this book. If you review a chapter that appears to be overly obvious, please ask yourself the question, “Am I actually implementing this strategy currently?” If so, think of ways to improve upon your current implementation using the information in the chapter, and if you are not currently implementing it, get on the stick and put a plan in place for the strategy.

OK, get that notepad out, and together, let us find ways to reduce your monthly budget!!!

Best,

Douglas R. Hayman,
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NOTE: The entire book, including the remaining 90 chapters / techniques of this book, can be purchased at a steep discount at Amazon.com, BN.com, Apple iTunes, Apple iBookStore, and Google Books, through our central hub website at <http://www.BudgetSurgeon.com>. This book is available for the following device formats: all Kindles, all Nooks, all Apple Devices, PC's, all eReaders (Sony, Kobo, HP, etc.) and all SmartPhones, from this main website (you will be directed to the appropriate online store, based on the format you require).