

# Consumer Focus

► by Nancy Peterson, communications specialist

## Sharpen financial skills in tough times

*Rising prices challenge consumers, yet tight times can prompt money-saving strategies that may put more money in your pocket, a Kansas State University (K-State) specialist said.*

### Budgeting time

“Getting a handle on your financial situation requires some homework, but investing even a little time may help to pay down debt and build savings,” said Carol Young, K-State Research and Extension financial management specialist.

To begin, Young recommended determining net or take-home pay, which is the amount available after deductions for taxes and benefits.

Then make a list of weekly or monthly fixed payments such as a mortgage payment or rent, average utility bills, insurance (car or truck, home or renter’s, medical, and life), auto or other loans and credit card payments, food, regular healthcare expenses, contributions to an emergency fund or savings goals, and miscellaneous expenses, including transportation, clothing, etc.

Compare the total amount of fixed payments and expenses with the money available (net pay) to determine whether

cash flow is positive or negative, Young said.

A positive cash flow — meaning that money is available to cover bills and savings goals — should be evident in account balances and cash on hand, she said.

A negative cash flow indicates that spending exceeds the amount available, Young said.

Improving a slightly negative cash flow may simply require working a few extra hours or cutting out extras like premium cable channels or cell phone add-ons, the financial management specialist said.

Failing to resolve a negative cash flow jeopardizes future earnings, particularly for consumers who are having trouble making the minimum payments on credit cards, Young said.

Running up still more credit card bills typically adds to financial woes, rather than helping to resolve them, she added.

While some consumers can benefit from

financial counseling, almost everyone can benefit from weeding out unnecessary expenses, said Young, who offered the following tips:

- Track cash spending for one or two weeks or a month to identify impulse buying.
- Cover the basics, such as housing, utilities, food and healthcare first.
- Evaluate financial needs (such as replacing the family refrigerator or buying new tires for the car), and prioritize them.
- Pay down debt, being sure to cover minimum payments on all credit cards to avoid fees while setting up a plan to pay off the cards. Paying off a credit card with the highest interest rate or biggest balance is typically recommended, but paying off a card with a lesser balance first can sometimes boost a consumer’s confidence in his or her ability to retire debt. Reducing, and eventually eliminating, debt will save interest and other fees and make more money available for current and future goals.
- Build an emergency fund to cover unexpected expenses without borrowing. Set an initial goal of \$500 to \$1,000, but

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## Recipe of the Month: Easy Steak Diane

### Ingredients:

- 1 lb. beef shoulder petite tender medallions, cut ¾-in. thick\*
- 2 to 3 tsp. lemon pepper
- 2 tsp. olive oil
- Chopped fresh parsley
- 1 Tbs. olive oil
- 8 oz. small mushrooms, cut into ¼-in.-thick slices
- 2 Tbs. finely chopped shallots or onion
- 2 Tbs. brandy
- ½ cup whipping cream
- 2 tsp. Worcestershire® sauce

### Instructions:

1. Heat 1 Tbs. oil in large nonstick skillet over medium heat until hot. Add mushrooms and shallots; cook and stir 3 minutes or until tender. Remove from skillet; set aside. Wipe skillet out with paper towels.
2. Press lemon pepper evenly onto beef medallions. Heat 1 tsp. oil in same skillet over medium heat until hot. Place half of beef in skillet; cook about 5-7 minutes for medium-rare to medium doneness, turning



occasionally. Remove; keep warm. Repeat with remaining 1 tsp. oil and beef.

3. Add brandy to skillet; cook and stir over medium heat until browned bits attached to skillet are dissolved. Stir in cream and Worcestershire sauce. Add mushroom mixture; cook and stir until sauce is slightly thickened. Add beef; stir to coat with sauce. Sprinkle with parsley, as desired.

Serves 4

**Cook’s Note:** Beef shoulder tender medallions are cut from the beef shoulder tender petite roast, a small, separate muscle that rests on top of the shoulder near the top blade. The shoulder tender is separated by following the natural seam. It is then cut crosswise into ¾-in. thick medallions.

**Nutrition information per serving:** 465 calories; 56 g protein; 5 g carbohydrate; 23 g fat; 230 mg sodium; 151 mg cholesterol; 12.5 mg niacin; 0.9 mg

vitamin B<sub>6</sub>; 3.8 mcg vitamin B<sub>12</sub>; 5.6 mg iron; 10.4 mg zinc.

\*The Angus Journal suggests using Certified Angus Beef® (CAB®).

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aim for an emergency fund equal to three- to six-month's income. That can offer protection in the event of a job loss or layoff, accident or illness.

- ▶ Leave credit cards at home. Commit to paying with cash, check or debit card — or not buying.
- ▶ Monitor and balance checking, savings and other financial accounts regularly to avoid fees. Report errors immediately.
- ▶ Put nice, but-not-necessary wants (like a larger television set) on a waiting list; discuss large purchases or investments with a spouse or partner before buying.
- ▶ Practice making less costly choices, such as choosing to eat out occasionally, rather than regularly, or bringing a snack to

work, rather than buying from a vending machine.

- ▶ Consolidate errands to reduce fuel costs, and consider carpooling to work or school activities to save. If available, use public transportation.
- ▶ Shop with a list — and stick to it.
- ▶ Eat before shopping for groceries to reduce impulse food purchases.
- ▶ Evaluate sales before buying. Another sweater or pair of shoes isn't likely to be a bargain if it doesn't match anything already owned.
- ▶ Go green. Engage the family in money-saving strategies such as turning off the faucet while brushing teeth, limiting time in the shower, using one rather than two towels, or adjusting the thermostat (up in the summer, down during the winter), and turning off lights when leaving a

room to save on utility bills. Do laundry early in the morning or dishes later in the evening when rates are reduced.

While spending habits — or patterns — aren't easy to change overnight, small changes, such as saving a dollar a day, could yield close to \$200 in six months, Young said.

More financial management tips and money saving strategies are available at county and district K-State Research and Extension offices and on the Extension web site [www.oznet.ksu.edu/financialmanagement](http://www.oznet.ksu.edu/financialmanagement).



**Editor's Note:** Nancy Peterson is a communications specialist for K-State Research and Extension News, which provided this article.