



# Senior Series

A partnership between Ohio State University Extension  
and Ohio Aging Network professionals



For more information, visit the Ohio Department of Aging web site at: <http://www.goldenbuckeye.com>  
and Ohio State University Extension's "Aging in Ohio" web site at: <http://www.hec.ohio-state.edu/famlife/aging>

## Living on a Fixed Income

With inflation, the price of food, gasoline, clothing, medical services, and prescription medications increases. As a result, our buying power decreases almost monthly, making living on a fixed income an even greater challenge. For some, it can mean the difference between buying groceries and buying medication. Setting guidelines and being smart about your buying habits can give you more control over your money and help to control the impact of inflation.

### Tightening Your Belt

In order to control your spending and make your budget work for you, consider writing down what your true necessities are, what items or services you can do without, and a method to help you save for what you need and/or desire. Compulsive spending is a serious problem for those on a fixed income.

Some ways you can make your dollars stretch farther, or at least cover your

necessities, include: making your home more energy-efficient; conserving energy; buying gasoline when the price is lower (usually early in the week); clipping coupons; cutting back on donations; spending less on Christmas and birthday gifts; watching for "good" sales at the grocery or retail stores; and meal planning. Budgets work best when individuals make choices they are willing to stick with for long periods of time.

### Know What You Have to Spend and How You Spend It

- Be aware of what you have. Start a budget journal by writing down income from all income sources, i.e., pensions, investments, and savings.
- Write down exactly what you spend for one month.
- If you don't have an emergency fund, try to start even a small one—it can help!

## Journaling

Start with a simple journal, writing down everything you buy and what it cost you for three or four weeks, and then set up a budget for yourself. If you are married or with a partner, make sure you both agree on spending needs and desires with the income you have now, and make adjustments when necessary.

Know exactly how much you are paying out for fixed expenses such as rent or mortgage, charge accounts, insurance, utilities, prescriptions, groceries, gasoline, vehicle maintenance, and so on. Some of these expenses will be monthly; others might be quarterly or even yearly. Once you know your yearly expenses, add them up, then divide by 12 to find out what your expenses are per month. Try putting aside the same amount each month, even though a bill might not be due for a few months. When a major expense comes due, you could have all or part of the money needed. Remember, credit can be easy to get, but having credit does not mean you have to use it! If you keep a checkbook, make sure you bank where your checking account is free if possible. Having your bills automatically deducted from your account can save you postage and time too.

## Other Ways to Save

Cut back on the amount of non-food items you use. When you shop, make a list, according to your favorite store's

layout, and stick to it. If you use coupons, make sure you are actually getting a bargain. Take advantage of bulk buying only if you can use or properly store the items.

If you read magazines, newspapers, and books, check at your local library to see if they have them instead of buying a subscription. You will save a lot of money and you won't have to pay to get rid of a pile of papers. The library is also a good place to look for videos, CDs, and DVDs—check them out and view them at no cost.

Watch the pattern of your area gas stations to see when prices are lowest and fill up (or buy what you can afford) on those days. Try to run more errands at one time rather than making extra trips on different days.

Take care of your car! A good maintenance schedule and sensible driving can make a car last for many years. Another good idea is to continue to put the payment in the bank after the car is paid for, then if you decide to buy another car you will have some of the money you need for a down payment, or even for repairs. If not, you will have saved extra money.

## Your Action Plan

Compare dollars available to dollars spent. Set priorities for spending. Know your limits and adjust your spending. Rethink your current buying habits and

revisit them when you are feeling “the pinch” again. Seek creative solutions. Putting your budget in writing may help you stick to it better.

Once you plan your budget, try it for a month or two. Rethink and adjust your plan to make it work for YOU. Keep the part that is working. Your budget should be reviewed periodically as changes occur in your monetary situation.

## References

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