

SPEND SMART, SAVE MORE: The Ultimate Guide

Ever feel out of control of your finances? Getting a handle on your financial life can move you toward your goals like owning a home, getting out of debt, and, most importantly, finding peace of mind and financial security. At ACE, we believe that learning how to make your money work for you is the key to a better financial future.

Spending smarter and saving money isn't always intuitive, but our handy guide can help you get the knowledge you need to succeed.



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Welcome to “Spend Smart, Save More: The Ultimate Guide!”

In this guide, you’ll learn some helpful tips to manage your credit score, save money in key areas of your life, and much more. We can’t wait to get started!

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1 GET TO KNOW YOUR CREDIT SCORE

Your credit score is a numerical representation of how well you handle debt. This number is important because it's often seen as a measure of your financial responsibility. Lenders use your credit score as a factor to decide whether to loan you money and at what interest rate. Sometimes prospective employers use it to determine whether you would be suitable for a position of trust at their company.

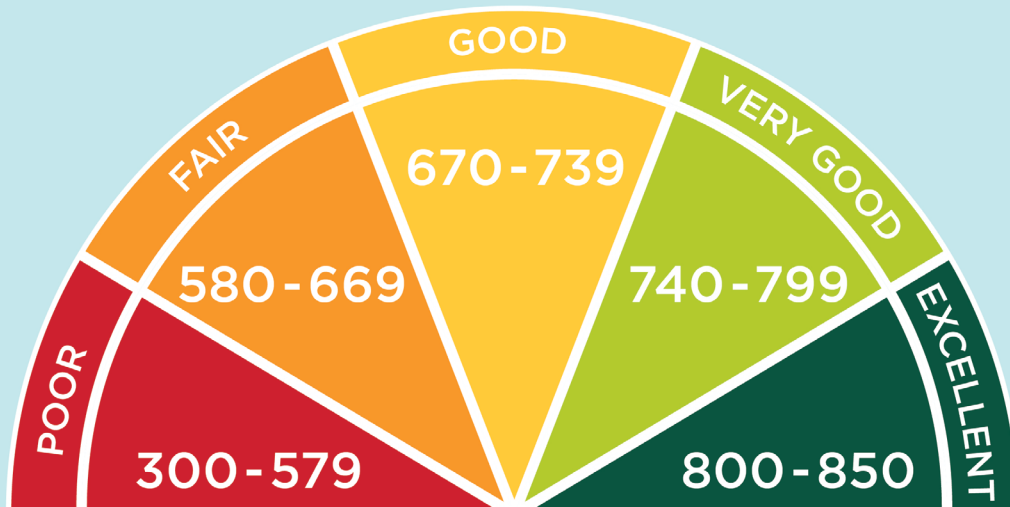
Your FICO credit score is a number between 300 and 850 that is calculated by each of the three credit bureaus (**Experian, TransUnion, and Equifax**) using their own methods. Your score with each bureau will usually be similar. This number is sometimes called a "FICO score" and is named for the Fair Isaac Corporation that created the score-calculating software many credit bureaus use.



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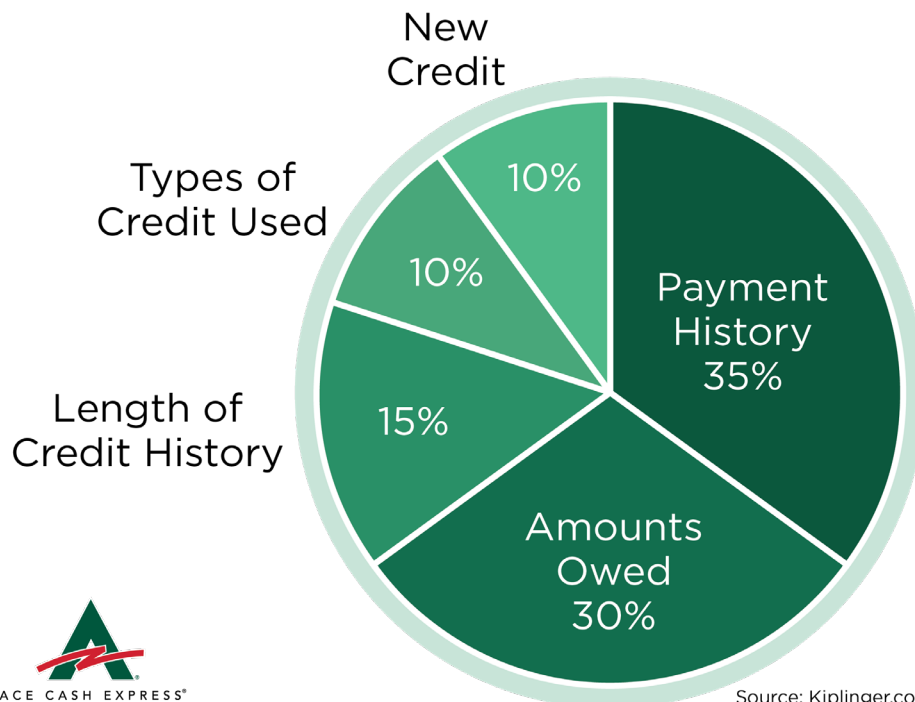
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What's a "GOOD" FICO Score?



Creditors want to know that you have a history of paying your debts and paying them on time. They want to know what types of loans you have and whether you are actively looking for more credit. Each factor is weighted differently.

How Your FICO Score Is Calculated



MANAGING YOUR CREDIT SCORE AND LENDING HISTORY

Your credit score can fluctuate as new information is reported to the credit bureaus and your score is recalculated. For instance, closing an old credit card can cause your score to dip a bit as it may shorten your overall length of credit history. However, having the card debt paid in full could give your credit a boost.

According to FICO.com, having a mix of loan types (mortgage, auto, credit card) is better than having several credit cards. Creditors like to see a combination of secured debt (“secured” by an asset, like a car loan) in addition to unsecured debt (“not secured” to an asset, like a credit card).

Source: Fico.com



Secured Debt:
debt that's backed by an
asset, like a car loan



Unsecured Debt:
debt that's not backed by an
asset, like a credit card



WHAT IMPACTS YOUR CREDIT

If your loan amount totals are too high for your income to support, it can drag down your score. Not using all your available credit or paying down a maxed-out card can have a positive effect on your score. Making a payment late or skipping it entirely can lower your score. Frequent credit inquiries and loan applications can negatively impact your score as well.

Your payment history and credit utilization rate (your total amount of credit divided by the total amount of revolving credit you have available) impact your score. There are other factors potential lenders may consider as well, including:

- 1 THE TYPE AND AGE OF YOUR CREDIT ACCOUNTS**
- 2 PUBLIC RECORDS, SUCH AS BANKRUPTCY**
- 3 NEWLY OPENED CREDIT ACCOUNTS**
- 4 NUMBER OF INQUIRIES ON YOUR ACCOUNT**



KNOW YOUR CREDIT SCORE

When looking to improve your credit score, start with pulling your free annual credit report from all three credit reporting agencies using www.annualcreditreport.com. This is the only credit report website authorized by the Federal Trade Commission.

Your credit report is free to pull once a year, and will have information including: **WHERE YOU LIVE | HOW YOU PAY BILLS | WHETHER YOU'VE BEEN SUED OR FILED FOR BANKRUPTCY.**

Note that your credit report will not include your credit score because each credit reporting agency calculates scores differently. You can pay a fee of less than \$10 to one of the credit bureaus or go to www.myFICO.com for a one-time check. If you want to monitor your specific agency score continuously, you can consider free services like [CreditKarma](#), [CreditSesame](#), or [BankRate](#). Each of these provide updates on your TransUnion or Equifax scores.

IMPROVING YOUR SCORE TAKES DILIGENT AND CONSISTENT EFFORT TO PAY DOWN DEBTS AND TRACK YOUR SCORE IMPROVEMENTS.

The below steps will get you moving in the right direction:

- **Review your credit report** to ensure there are no errors. If you don't recognize a debt and believe it may be fraud, contact the credit bureaus to dispute and remove it.
- **Review your payment history** to ensure that payments have not been erroneously reported as late or unpaid. If you see an error, contact the creditor to have them report it correctly.
- **Start with any debts in collections** and contact each creditor to negotiate a settlement or monthly payment terms. The creditor's contact information will be included on your credit report.
- **Pay down debts**, especially accounts that are close to the credit limit. The more available credit you create by paying these down, the more your score may improve.
- **Make payments on time**, every time, and always pay at least the minimum amount owed.

2 BUDGETING BASICS ANYONE CAN USE

For about $\frac{1}{3}$ of Americans, the number one money complaint is that they don't know where their money goes every month. Even if they have a higher income, they feel it's not enough to cover their bills, get out of debt, and save money for a rainy day. Saving for future goals like retirement can feel completely out of reach.

For the other $\frac{2}{3}$ of American families using a budget, they still may feel that there isn't enough money to stretch to the end of the month. These families could use some help tweaking their budget and tracking their spending.

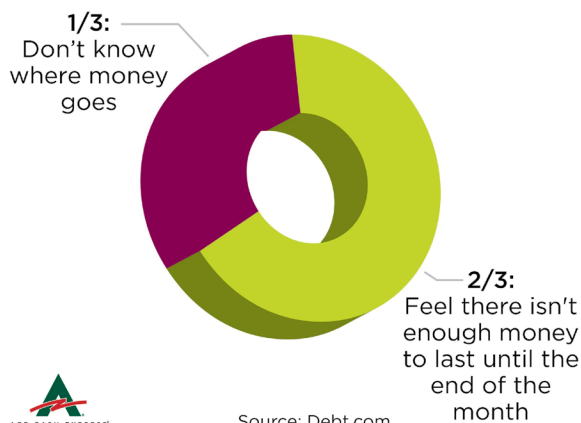
A healthy money mindset is key to using a budget and making it work. A budget is not a bad word, and it's not meant to be restrictive. Instead, think of it as a blueprint for building a solid financial house.



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Americans Top Budgeting Concerns



Planning how you'll spend your money will help you direct it to what matters most, rather than looking back and wondering where it went. What matters most to you should be where you spend your money. Prioritize spending to get out of debt, boost your savings and build a sturdy financial house.

CHOOSE YOUR BUDGET PHILOSOPHY

One of the easiest ways to get started building a budget is by installing one of several user-friendly apps.

- **YOU NEED A BUDGET**- fan favorite with a cult-like following, \$83.99 annually
- **EVERY DOLLAR**- use Dave Ramsey's methods in a convenient monthly budgeting app
- **PERSONAL CAPITAL**- manage all of your bank accounts in one place and plan for the future
- **MINT**- manage money, bills, credit scores and more
- **POCKETGUARD**- looks for little ways to save you money and allocates what's safe to spend
- **MVELOPES**- create spending categories and stick with them, starting at \$6 monthly
- **GOODBUDGET**- budget with a partner, family, or friends

Robert Kiyosaki
Richdad.com

Dave Ramsey
Daveramsey.com

Suze Orman
Suzeorman.com

Farnoosh Torabi
Farnoosh.tv

Ramit Sethi
Iwillteachyoutoberich.com

There are as many budgeting philosophies as there are ways to spend money. One central theme is to spend less than you make and have a plan to be responsible with your income.

You can start researching by following the methods of famous finance gurus. [Dave Ramsey](#) advocates for using cash over credit cards and getting out of debt ASAP. [Suze Orman](#) promotes the responsible use of debt and holistic, long-term planning while removing the emotional roadblocks to your financial success. There are many others in between that offer practical personal finance and budget advice from [Farnoosh Torabi](#) to [Ramit Sethi](#) to [Robert Kiyosaki](#). Research different approaches and put one into practice to find what works for you.

3 SAVE ON MAJOR PURCHASES

Monthly household expenses are the bills you pay steadily, month after month. It might seem like your electric bills, health insurance, and more are set in stone, but there are many ways to save on these recurring expenses. Comparison shopping and becoming well informed about your purchases are the key to saving in this area.

CONSIDER SWITCHING CAR INSURANCE COMPANIES

Comparison shop for your home and auto insurance plans annually. Insurance companies change their rates frequently and may offer new packages that better fit your needs. Most insurers will be happy to educate you and help you select the right amount of coverage for you, offering options to lower or drop what you don't need.

Remember, a cheaper policy is not always better if you lose a related discount, say for bundling home and auto with the same company. Be sure to double-check for those discounts and do the math to choose the right option.

SAVE ON HEALTH INSURANCE

Your health insurance needs may change over time, and so your plan may change over time as well. Keeping track of your health care expenses is a great way to identify out of pocket costs throughout the year. Knowing your average out of pocket costs can help you identify the right amount to set aside in a **Flexible Spending Account** to save on taxes.

When considering whether you need to change health insurance plans, look at the annual premiums and coverage, and compare your out of pocket expenses under each plan. Other ways to save on healthcare costs include:

TAKE ADVANTAGE OF TELEMEDICINE APPOINTMENTS LIKE TELADOC AS YOU MAY PAY A LOWER COPAY

ASK YOUR DOCTOR IF A GENERIC PRESCRIPTION DRUG WILL WORK AS EFFECTIVELY AS A BRAND NAME DRUG

SIGN UP FOR [GOODRX](#) TO FIND THE PHARMACY THAT OFFERS YOUR PRESCRIPTION AT THE LOWEST PRICE

SAVE ON HOME BILLS

At home, you can find ways to save dollars by making budget-friendly lifestyle choices. Turning off lights and unplugging devices when you leave a room can add up to electricity savings each month. You can save money on common household repairs by closely following professional tutorials online. There are many ways to be more cost-effective at home without changing your entire way of life.

How to Save on Home Bills

Unplug electronics and turn off lights when you're away



Use a programmable thermostat to save energy during key times of day

Keep up with regular appliance maintenance



Become a DIY professional with YouTube tutorials



SHOP FOR A CAR WITH YOUR BUDGET IN MIND

When you're considering purchasing a new car, remember that vehicles lose 20% of their value within their first 12 months, so buying used is a practical and frugal choice. Shop around to compare prices and specs on the car you have in mind. When you find one that you like, take it to an independent mechanic to have it checked for mechanical issues.



Cars lose 20% of their value within their first 12 months

A car is usually the 2nd most expensive purchase a person makes (#1 is a house!)



A car is often the second most expensive purchase a person makes (other than a house), so you want to take your time. Choose a vehicle that is reliable and is known to last for at least 100,000 miles, has good fuel economy, and meets your needs today and for the foreseeable future. Save up to buy the car you want or to pay the down payment amount due and be sure to brush up on your negotiation skills to haggle on the price before you sign any papers.

If you need a car loan, you may get more favorable rates from your banking institution or a credit union than by financing through the dealership. You may consider leasing a car if you plan to keep the car for only a few short years and you can reasonably meet the lower mileage requirements.

4 SMARTER EVERYDAY SPENDING

Saving on your other everyday purchases can help you lower costs so you can pay off debt or bulk up your savings faster. Think through your needs vs. wants. Sure, that sale price may be a crazy-good deal, but do you need a new television when your current one serves you well?

Still, what if you decide you'd like to make that purchase? Now's the time to shop with purpose. You may be able to get a great deal and stretch your dollar further by shopping with online offers or buying secondhand.



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SHOP ONLINE FOR SPECIAL SAVINGS OPPORTUNITIES

Shopping online offers the ease of shopping at home and having many choices for what you need. The internet makes it easy to comparison shop which retailers are offering the best deal on the item you want.

Choose to shop using a cashback website like **Rakuten** or **MyPoints** or using the **ibotta** app to get back a percentage of your purchase. You can check **RetailMeNot** for a coupon code before confirming your online purchase. Be sure to read reviews before you buy as they can provide helpful sizing and quality information to help you feel more informed about your purchase.

SHOP SECONDHAND

The best items to buy secondhand are furniture, clothing, children's toys, books, and even some electronics. Anything that doesn't wear out quickly is a good bet for buying used. Buying used is an environmentally responsible choice as it saves that item from ending up in a junkyard or landfill. Buying used may also allow you to purchase a higher quality item for a lower price.

Where to Shop Secondhand

- Thrift stores
- Used book stores and library sales
- Garage and estate sales
- Flea markets



You can shop both designer and ready-to-wear clothes used at online stores like **ThredUp**, **Swap.com**, and **Poshmark** at a fraction of the original price and in most cases only gently used. Check out **Facebook Marketplace** to find local people selling items you may want. Sites like **eBay** and **Amazon** offer the broadest selection of used books and electronics.

HOW TO KNOW WHEN TO SPLURGE

Deciding when to splurge versus when to save can be challenging. Think through your needs for the item and how you will use it.

DO YOU PLAN TO WEAR OR USE THIS ITEM ALMOST EVERY DAY? If so, you will get more use from a piece that is made with higher quality materials that will last longer.

DO YOU PLAN TO KEEP THIS ITEM FOR LONGER THAN SIX MONTHS OR A YEAR? If so, spending more on high-quality materials could be worth it.

WERE YOU SHOPPING FOR THIS ITEM, OR IS IT AN IMPULSE BUY? If you stumbled across a splurge find, walk away for at least 24 hours and consider if you need it.

If you shop for quality first and price second, you'll usually end up with a product you like more that does not break or wear out quickly.

CONCLUSION

It's never too late to take control of your finances. By spending smarter and saving more, you can feel great about your financial life and build a strong foundation for the future.

Whatever your financial needs, **ACE Cash Express** is here to serve you. If you are experiencing a financial emergency or have an unexpected bill, ACE offers cash advances, payday loans, prepaid cards, installment loans, and more. We're proud to be an alternative to traditional banking relationships and offer a variety of products designed to help our customers gain immediate access to financial services.

You can count on us to provide the right financial services you need, right on time.

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