

Using the Web to Weather Tough Times

During the last 20 years in the U.S., increased worker productivity and easy credit have meant that many people felt prosperous in spite of stagnant wages. We bought real estate, big cars, and luxury goods that were made affordable by the dynamics of the global economy.

Those halcyon days have abruptly ended. Essentials such as housing and health insurance have grown unaffordable even for middle class workers. Energy and food prices have suddenly skyrocketed. Many people have built up considerable debt.

What to do? For consumers who live by their wages and not their capital gains, it's time to scrutinize budgets and cut down on discretionary spending and debt. After a generation of feeling as if we could buy whatever struck our fancy, that will be hard to do. Yet, we have allies in these web resources.

Blogs and Newsletters

Lots of folks are writing on the web about how to wrestle with personal finances. Turn to these blogs and newsletters for advice about how to invest, save money, and eliminate debt.

The Simple Dollar

<http://www.thesimpledollar.com>

Trent Hamm bounced back from a financial meltdown in his late 20s by examining all his expenses and reducing frivolous spending. Read his "31 Days to Fix Your Finances" [<http://www.thesimpledollar.com/2007/01/01/31-days-to-fix-your-finances>] and "The One Hour Project" [<http://www.thesimpledollar.com/the-one-hour-project>], which offers 30 small projects to improve one's fiscal health.

Get Rich Slowly

<http://www.getrichslowly.org>

In 2004, Portland, Ore.'s J. D. Roth had \$35,000 of consumer debt. Follow his blog for tips to do as he did: Eliminate debt and establish a positive cash flow.



Debt Proof Living

<http://www.cheapskatemonthly.com>

Finance coach and syndicated newspaper columnist Mary Hunt offers tips for wisely managing household finances.

Prosperity Place

<http://prosperityplace.com/newsletter.php>

Get personal finance advice with a New Mexico twist! Joan Slotkin mixes "Emotional Freedom Techniques" [<http://prosperityplace.com/eft/index.html>] with a dose of Hopi spiritualism to help readers of her newsletter reframe their thinking and improve their "relationship with money."

Budget

All the financial blogs insist that the first step in managing our finances is to create a budget, so we can get a clear picture of our situation.

Budgeting — An Easier, Smarter Way: Prime Time Money

<http://ptmoney.com/2008/02/18/budgeting-an-easier-smarter-way>

Texan "PT" shares his secret for making a workable budget that can help one live within one's means. He breaks down his

expenses into three categories. First, he establishes the value of income and expenses that don't change from month to month, such as paychecks and mortgage payments. Then, he examines expenses that need elimination, especially those that cause him to spend more than he makes. Finally, he makes a list of "controllable" costs, for clothing and other family expenses, which need monitoring.

ExpenseView

<http://www.expenseview.com>

Keep track of your balance with this simple free online application. You can also add ExpenseView to a Google page as a "gadget."

Mint.com

<http://www.mint.com>

Sign up to track your fiscal health on this free, web-based, personal finance manager. After users enter information about their credit card and banking accounts, Mint.com will analyze spending and offer savings ideas. The site seems secure, as it is backed by VeriSign and the TRUSTe Privacy Seal Program [<http://www.truste.org>]. On the down side, Mint.com only offers links to national level cards and banks. I couldn't get it to pull in info from my credit union, for example.

The Beehive: Budgeting

<http://www.thebeehive.org>

The One Economy Corp. aims to improve the lives of lower income families using the internet and offers budgeting tools in both English and Spanish.

Expensr

<https://www.expensr.com/app.php>

Here is a Web 2.0 online budgeting application that allows users to share their savings goals with others.

Credit Cards

Credit card companies have been pulling some nasty tricks lately, such as double cycle billing and arbitrary interest rate hikes. The practices have become so egregious that the federal government is working on new rules and legislation to curb these practices. (Trejos, Nancy, "Fed Drafting New Credit Card Rules." *The Washington Post*, Friday, April 18, 2008; Page D03). Until the feds get the worst offenders in line, use these sites to find credit cards with the best terms possible.

Credit Cards and Credit Rates

http://bankrate.com/brm/rate/brm_ccsearch_lowrate.asp

Use Bankrate.com's free search to find a credit card that will give you the least onerous deal.

Myvesta US Credit Card Directory

<http://myvesta.org/cards>

The nonprofit Myvesta Foundation tries to help people worldwide to manage personal debt. U.S. citizens can use this directory to find the credit card right for them. Myvesta also has resources for those in the U.K., Australia, South Africa, and the Netherlands.

Cardweb.Com, Inc.

<http://cardweb.com>

Click on Search cards on the left panel to choose credit cards by brand or reward.

Conserve

"A penny saved is a penny earned," according to Benjamin Franklin, America's first wildly successful entrepreneur. An easy way to save money is not to waste it by unnecessarily using resources that we pay for.

WaterSense: Consumers

<http://www.epa.gov/owm/water-efficiency/tips/cons.htm>

The Environmental Protection Agency (EPA) offers tips for using water efficiently in the home. Grab a couple of repaired sprinkler heads and *voilà!* Instant savings.

100 Water Saving Tips

<http://www.wateruseitwisely.com/100ways/index.shtml>

Here you can find a multitude of ways to cut down on water use as tailored to various regions of the U.S. One idea for fixing leaky faucets could save about 140 gallons a week.

Energy Savers: Tips on Saving Energy and Money at Home

<http://www1.eere.energy.gov/consumer/tips/index.html>

The U.S. Department of Energy offers ideas for saving money by becoming more energy efficient at home and in the car. Ideas include increasing home insulation and wrapping the water heater, replacing incandescent light bulbs with compact fluorescent light bulbs (CFLs), and keeping car tires properly inflated to increase gas mileage.

Put a Stake in It

http://www.salon.com/mwt/good_life/2008/01/24/vampire_energy

Salon's Rebecca Clarren reports that a substantial portion of a household's electricity use can be attributed to "vampires," electric devices that suck energy even when off. "This wasted energy sends more than 97 billion pounds of carbon dioxide into the atmosphere; on a global scale, standby energy accounts for 1 percent of the world's carbon emissions."

Kill-A-Watt EZ Electricity Usage Monitor

http://the-gadgeteer.com/review/kill_a_watt_ez_electricity_usage_monitor

Julie Strietelmeier, editor of The Gadgeteer blog, reviews this tool for revealing the cost of phantom energy use by electronic devices. Kill-A-Watt power meters can be bought on the web for less than \$30.

Reducing the Amount of Juice Electronic Gadgets Consume

<http://tinyurl.com/5x632w>

The New York Times' David Pogue positively reviews APC's Power-Saving SurgeArrest Strip, which automatically powers down peripherals when a computer gets turned off. Buy one online for less than \$25.

Sell Stuff

You know all that stuff we bought with our credit cards? It costs us beaucoup bucks to store it, even in our homes. For example, a 1,500-square-foot house with a \$1,500 monthly payment costs \$1 per square foot per month. If one 100-sq.-ft. room in that house becomes a storage room, the owner is actually paying \$1,200 per year — to keep junk. Lose the stuff and get a bigger house — without having to move!

Americans Keep Putting More in Storage

http://marketplace.publicradio.org/display/web/2008/04/24/self_storage

Andrew Phelps of American Public Media's radio show *Marketplace* reports on the state of the storage industry, which is virtually recession-proof. "You're gonna say I'm gonna be in there for six months or something like that and I'm going to see you five years later and you're still handing me money. And you've paid more than three times what that stuff's worth and, in some cases, four or five times," says Steve Northam, a self-storage operator.

Shiptool

<http://www.shiptool.com>

We may decide to declutter our house and make money, too, by selling old CDs and books on eBay or Amazon.com. We can save money on shipping costs by using this free tool to compare shipment pricing and delivery options between FedEx, UPS, DHL, and USPS.

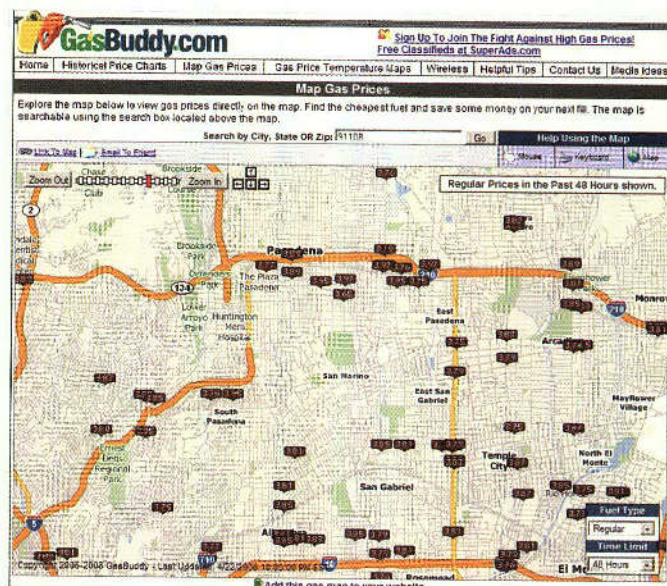
Freecycle

<http://www.freecycle.org>

If all else fails, save storage costs by giving things away! Join your local Freecycle online group to find good homes for your excess stuff. craigslist (<http://www.craigslist.org>) also has a "free" giveaway section, in addition to its famously effective classifieds.

Buy Cheap

We can cut down on expenses, but we still need to buy essentials such as food and gas (and, of course, computers). There are sites to help us find the best prices by doing comparison shopping for us, along with checking for coupons and promotional codes. One commentator gave this advice when checking out at an online store: "When I come across one of those 'promotion code' fields, I just Google the store and 'promotion code' or 'coupon.' Usually one of the first two or three links has a useful code."



See the gas prices in your area on a map at GasBuddy.com.

Coupons and Bargains

<http://couponing.about.com>

Journalist and retailer Donna Montaldo collects links to coupons and bargains on the internet.

PlanetBargains

<http://www.planetbargains.com>

PlanetBargains collates discount codes for clothes, shoes, housewares, and gifts.

My Grocery Deals

<http://www.mygrocerydeals.com>

Enter your ZIP code to see what your local grocery has on sale.

GasBuddy.com

<http://www.gasbuddy.com>

Use this site to find the cheapest gas in your ZIP code. See the prices displayed on a map!

FatWallet

<http://www.fatwallet.com>

Register for free, then shop through this site to get cash back from purchases. Merchants include Office Depot, Sears, and Wal-Mart.

The ThriftShopper.com

<http://www.thriftshopper.com>

I like to think of thrift stores as storage I don't have to pay for. I can give away my crock pot, take the charitable deduction, then go back to the thrift store to buy another one if I need it. Use this cute site to find your local second-hand stores. Also find thrift store news and forums about thrifty finds. There is even a thrift haiku forum here.

Presupuesto: Spanish Language Budget Advice

Our Spanish-speaking patrons can find budgeting and money-saving advice on these sites.

¿Cómo Hago un Presupuesto? ("How Do I Budget?")

<http://www.thebeehive.org/Templates/Money/Level3Image.aspx?PageId=1.194.196.197>

Nuestros clientes de biblioteca can set up free accounts and make personal budgets on this page.

The screenshot shows the homepage of TheThriftShopper.com. At the top, a banner reads: "TheThriftShopper.com is a one-stop web destination for all your thrift shopping needs. Search for thrift stores in our national thrift store directory, join our online thrifting community, and learn more about thrift shopping!" Below this is a search bar with the text "This is our national directory of charity-driven thrift stores. Just enter either your zip code or city and state [AL] Submit". A secondary banner says "With 8246 charity driven thrift stores listed so far...Help us add more. Rate and Review Thrift Stores in Our Directory Wherever You Shop!". The main content area is divided into several sections: "THRIFT-A-TERIA The National Thrifters Monthly Magazine" featuring a collage of food items; "Thrift Shopper Forum" with "Latest Forum Topics" such as "Crock Pot Disaster" and "My addiction is out of control and I am being brutally honest here"; "Thrift Shopper Updates" with a "Register for directory updates" button; and "Thrift News" with a "Green movement coming of age" link. On the right side, there are several promotional boxes: "Check Out Our Nifty New TheThriftShopper.com T-Shirts - Just \$19 Each!", "Goodwill fashion blog" with the tagline "Fashion at your fingertips", "Shop Our MySpace Virtual Vintage Mall", and "Photo Gallery" with a "Latest Added Photo" section.

Use TheThriftShopper.com to find your local thrift stores.

TermineConsudeuda.org

<http://www.termineconsudeuda.org>

Learn to reduce debt and manage money better using this advice, in Spanish, from the National Foundation of Credit Counseling.

Crédito y Préstamos ("Credit and Loans")

http://www.ftc.gov/bcp/menus/consumer/credit_es.shtm

The Federal Trade Commission offers Spanish-language advice about consumer credit and how to get out of debt.

Ahorrando para el futuro ("Saving for the Future")

<http://www.ahorrando.org>

Here are consumer budgeting tools and savings advice *en Español* from the Bond Market Foundation, a consumer financial education foundation funded by a consortium of banks.

Su Dinero ("Your Money")

http://www.vidaydinero.com/spanish/at_home

Visa offers advice and family budgeting calculators in Spanish.

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Internet Express *continued from page 11*

Behavioral Economics Rationality Has Nothing to Do With It

Roy Tennant's seminal article, "The Convenience Catastrophe" (*Library Journal*, Dec. 15, 2001 [<http://www.libraryjournal.com/article/CA185367.html>]), discussed the phenomenon of "satisficing" in which our patrons settle for a minimally acceptable and possibly inaccurate answer rather than to take any trouble to get a better one. We have experienced the truth of this at the reference desk: often, our patrons seem both irrational and lazy.

As with information-seeking behavior, so is our treatment of money. Although a classic theory of economics predicts that people will always try to act in their own best interest, we often sabotage ourselves, or even act altruistically, in defiance of rational calculation. The study of this deeply human behavior is the hybrid of economics and psychology known as behavioral economics. Here are several backgrounders.

What Was I Thinking?

http://www.newyorker.com/arts/critics/books/2008/02/25/080225crbo_books_kolbert

Elizabeth Kolbert, in her review of the book *Predictably Irrational* by Dan Ariely, writes that studies of economic behavior have shown that, when it comes to money, we tend to make the same bad choices over and over again (*New Yorker*, Feb. 25, 2008, Vol. 84 Issue 2, pp. 77–79). These systematic errors are so ingrained that we often don't recognize them. For instance, we can rarely resist something labeled "free" no matter what costly strings are attached.

The Marketplace of Perception

<http://harvardmagazine.com/2006/03/the-marketplace-of-perce.html>

In this 2006 article from *Harvard* magazine, Craig A. Lambert explores how humans make economic decisions based on perception, not facts. He also explains how we discount the future, preferring to get our payout upfront rather than to delay gratification, even if the rewards are larger if we wait. We will also expend capital to extract vengeance if we feel wronged. Lambert's sidebar, "Neuroeconomics" [<http://harvardmagazine.com/2006/03/neuroeconomics.html>], discusses recent functional MRI studies that show economic decision-making as a struggle between two systems in our brain: the limbic and the analytic. Our rational frontal cortex rarely wins in a fight

with our deep, ancient limbic brain, which wants what it wants when it wants it.

The Voices in My Head Say 'Buy It!' Why Argue?

http://www.nytimes.com/2007/01/16/science/16tier.html?_r=1&oref=slogin

John Tierney describes his brain's reactions to spending choices as viewed by functional MRI studies (*The New York Times*, Jan. 16, 2007, Section F, p. 1). These decisions register as instant reactions either in the insula, our disgust and pain center, or in the nucleus accumbens, a part of the brain that responds to pleasant stimuli, before we consciously make up our minds. Either way, the reaction results in an impulsive choice.

Tightwad or Spendthrift?: Carnegie Mellon Survey on Spending Habits

<http://www.behavioraldecisionresearch.com>

Does your brain tend to make you spend too much? Or do you have a hard time parting with a nickel, even for things you need? Find out by taking this personality survey that rates test-takers on, among other things, whether or not they buy expensive food for their pets and the make and age of their automobiles. The survey, about 18 months old, promises to send your ratings to your email. I did not receive my results. Still, the questions themselves pretty much illuminated my tendencies, which skew toward buying too much!

The Secret to Happiness

"The secret to happiness," writes Joan Slotkin of Prosperity Place, "lies not with more money but with learning how to be happy with what you have now, not in the future" [<http://prosperityplace.com/nl/qtips002.html>].

There is much wisdom in this. Sticking to a budget is like dieting. We need to eat and we need to buy things to sustain our lives. The problem is how to regulate these appetites in a milieu of plenty, to buy what we can afford, and to eat within our caloric

needs. There seems to be much benefit in "trimming," cutting out little things that we won't notice are gone, and then consciously noting the savings to ourselves.

Of course, we can save a bunch of money just by visiting our local libraries — to check out books about how to save money!

Irene E. McDermott controls her appetites by visiting the library every day and sitting behind the reference desk, where eating and shopping are prohibited!



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