



B. Franklin

The Franklin Prosperity Report

‘A PENNY SAVED IS A PENNY EARNED’

Special Edition

50 Ways to Save Up To \$50,000! Cut Your Costs on Groceries, Insurance, Travel, and Everyday Expenses With These Expert Strategies

If you're hoping to save more and spend less this year – and really, who isn't? – you've come to the right place. The spending advice we outline in this special issue can add up to one nice windfall of cash for those willing to make some difficult decisions – and a small sacrifice here and there.

We talked to a wide range of experts who shared their insights on the best ways to save – ways that the general public does not always take full advantage of, often because not everyone is aware of the potential savings they could enjoy. (As a Franklin Prosperity Report reader, however, you're savvier and better informed than the average Joe and Jane.)

For ease of navigation, the tips are broken down into four sections: Investing and Insurance, Entertainment and Daily Essentials, Your Home, and Travel and Leisure.

Before we begin, a note: The savings examples in this Special Report were calculated for a family of four comprising two 45-year-old parents with a combined income of \$80,000 per year and two teenagers living in a 2,000-square-foot home that cost \$200,000. But of course, the idea behind each saving idea would apply to just about everyone, so be sure to consider all 50 tips on the following 15 pages.

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Investing and Insurance

1. Dump your bank.

When banks had free rein to hide fees in credit-card charges, they were happy to give away basic banking services such as checking. Known as "interchange" fees, these tiny card charges made banks as much as \$8.7 billion a year. (Of course, retailers covered these expenses and hid the costs in the prices of the goods and services you bought.)

New reforms are ending the charges, but that means rising bank fees. Expect an end to free checking soon, bank experts say. You are likely to begin paying up to \$183 a year in banking fees.

Instead, switch to a credit union. It is cheap to join and offers truly free checking because the account holders by definition own the bank. You can find a credit union near you at the National Credit Union Administration website (www.NCUA.gov).

Savings: If our sample couple had separate accounts that they close and merge into a credit union instead, that's \$366 in savings per year.

2. Stop paying ATM fees.

Do you use ATMs? Consider this simple bit of math: If you take out \$20 in a hurry at a convenience store and pay the fee – let's say the bank hits you for \$2 – you just gave it a fantastic deal, a nearly 10 percent return on cash. ("Nearly" because the transaction does cost the bank about 27 cents.) That gravy train for the banks could be getting richer, as some banks are considering \$5 fees for non-customers.

Of course, the best solution is to plan ahead for cash needs and use only your bank's machines, where there is no fee. But if you don't use a credit union as suggested in tip No. 1 and instead opt for, say, an online investment brokerage that provides online banking services, you can find one that provides no-fee ATM use. Some providers of surcharge-free ATM cards include Fidelity.com, ETrade.com, and Schwab.com.

Savings: If our family takes out money eight times a month, paying \$2.50 a pop on average in fees, that's \$240 a year.

3. Refinance revolving debt right now.

If history is any guide, the door is about to close on cheap money – and probably for a very long time. If you are holding credit-card debt or a home equity loan at a high interest rate, now is the time to refinance. Credit-card companies are still in the market for balance transfers that charge zero percent for up to two years and have no annual fees.

Savings: According to figures from the Federal Reserve System, a borrower with a credit card charging 19 percent must pay \$202 a month on a \$4,000 debt to get clear inside two years. Taking out a zero percent card with a two-year window gets you out at \$167 a month instead. The credit-card savings amounts to \$420.

4. Buy cheaper mutual funds.

Americans have had a love affair with mutual funds for nearly two decades. The industry promised money management for the masses, and it was hard to argue with the logic of double-digit returns during the long boom in stocks from 1982 on.

Now the bloom is off the rose. Investors are beginning to wonder whether a 7 percent long-term return is likely, and they are looking closely at the fees some mutual funds charge. Consider for a moment the typical 401(k) mutual-fund fee, which totals up to 2 percent. Now consider the average fee for a plain vanilla index fund or exchange-traded fund that tracks the major indexes. They come in at 0.10 percent, and many can be bought through major brokerages at no cost.

Savings: Let's say our couple puts \$100,000 into Fidelity's Contrafund (FCNTX), a fund that many American investors hold. To be fair to Fidelity, our couple also puts \$100,000 into the Fidelity Spartan 500 Index Fund (FUSEX). Both funds earn our expected 7 percent. At the end of one year, the fees for the actively managed mutual fund amount to \$947.44. For the index fund, it's just \$103.41. In one year, that's \$844 in your pocket to reinvest. (Over a decade, the compounding return really accelerates. The fees hit \$12,499.80 in the managed fund but just \$1,421.54 on the cheaper index fund.)

5. Hire cheaper money management.

Just as the Internet is pounding the news business, banking, and the U.S. Postal Service, the Web also is steamrolling over costs in the once-arcane world of wealth management. If you have enough in your portfolio to qualify – as little as \$250,000 – you can take advantage of investing tools online and get help from an adviser when you need it.

"As an example, take a 40-year-old investor who just changed jobs and wants someone to help manage his \$250,000 IRA rollover. By using a Web-based adviser instead of a traditional firm, an investor could save \$1,125 or more each year," says **Steven Geri**, founder of InvestSimply.com.

Geri figures that investing the money at a 7 percent return could mean a difference of \$70,000 at retirement. Other, similar services include IFA.com and WealthFront.com.

Savings: If our couple has \$500,000 between them to invest, using a Web-based system could turn into \$2,250 per year, by Geri's estimate.

6. Raise your insurance deductibles.

People often confuse insurance with protection. If a freak hailstorm hits your home, the damage is done regardless of whether you have gold-plated coverage, so-so homeowners insurance, or nothing at all. Instead, think of insurance as protection against the unexpected cost of an accident, not against typical or even not-so-typical problems in your day-to-day life.

Considered that way, the real question is: Can you handle a few thousand

bucks in simple repairs? Could you do it yourself or even put it off until you raise the money? In short, would meeting a \$1,000 deductible on your homeowners insurance coverage really break the bank? For most people, the answer is probably "no." Raise your deductible, and your premium will fall. It's the single biggest thing you can do to cut homeowners insurance costs.

Savings: Premiums range around the country from as low as \$387 in Idaho to \$1,390 in hurricane-ravaged Florida. If you figure on a premium of about \$800, raising the deductible to \$1,000 should knock off 25 percent, saving our couple \$200 a year.

7. Lower your coverage.

Driving an older vehicle? It's probably time to stop paying insurance as if it were brand new right off the lot. Remember, if you total your car, your insurance company is not going to buy you a new one. Instead – and this surprises people – it will come up with what it considers the "cash value" of the car you lost. That might be only a few thousand bucks, just enough to make a new down payment.

"Your beloved 10-year-old Chevy that's in perfect shape is probably worth \$2,500 at best," says **Mark Carrasquillo**, an account executive with E.G. Bowman Co. in New York. "So it doesn't make much sense spending \$1,000 to insure it, particularly if you have a \$1,000 deductible." The coverage you might want to drop is the collision portion, Carrasquillo says, not comprehensive, which covers against fire, theft, and vandalism and is normally the cheaper of the two.

Savings: Varies according to vehicle and state, but collision can be up to 40 percent of your premium. Average insurance premiums in 2010 were \$1,031 per year, according to AAA, so that's \$412 back to you.

8. Shop your coverage.

Happy with your insurance company? You might be, but that doesn't mean the premiums you pay are competitive. You can get comfortable with your home or car insurance, but it's smart to shop your policy every few years to make sure, says **Sol Nasisi**, the co-founder and chief economist of BestCashCow.com, a website that specializes in banking and credit-union savings rates.

"This is especially true if your circumstances have changed – maybe you have a new alarm system in your house, you're working from home instead of driving, or you have an improved driving record," Nasisi says. "I recently did this and cut my auto insurance bill alone by \$600 per year. Lots of small changes can add up over time."

Combining your vehicle and homeowners insurance under one company can save, too – up to \$300 a year, Nasisi says – but make sure to get several quotes for comparison.

Savings: If our couple shopped coverage for their two cars and combined them with a homeowners insurance policy at one insurer, with a bit of luck,

it could mean savings of \$1,800 for the year.

9. Stop paying premiums.

Health savings accounts (HSA) are a pretty good deal if you have little need for prescription drugs and visit the doctor only occasionally. People find HSAs confusing, but essentially, they are the same as taking a high deductible on your auto policy. Total the car, and the carrier is there; dent a fender, it's on you.

Same with healthcare. You are on the hook for between \$1,500 and up to \$10,000 a year of health costs (doctors, drugs, whatever it might be, at 100 percent with no co-pays), but you are covered 100 percent after hitting the annual limit and, typically, have no co-insurance and no cap on coverage. Select a higher deductible, you pay a lower premium.

Essentially, you trade a sure loss (\$10,000 to \$12,000 in premiums every single year) for a potential loss (the one-off cost of a big problem, such as a major accident and hospital stay or, say, cancer treatment).

Here's the kicker: The Internal Revenue Service allows you to put away up to \$6,150 pretax each year to fund that potential payout, and you don't need to spend it that year. In fact, it rolls over and earns interest. Put enough away in a year or two, and you can simply stop funding it – or keep taking the big tax break.

Savings: Insuring a family these days on your own costs \$13,375 in premiums with a typical HMO, while an HSA plan with a \$10,000 deductible runs \$3,696. So the savings in one year is \$9,679. Subtract a few doctor visits and perhaps some simple prescriptions, and our family still could bank \$9,000, which it should sock into the HSA account for future healthcare costs. The total does not count the family's tax savings from reducing their taxable income by \$6,150 off the top.

Total Savings, Investing and Insurance: \$15,532 a year

Entertainment and Daily Essentials

10. Slash your grocery bill.

The average family of four with two teenagers easily can spend \$600 a month on groceries. But if you get a discount card at your local grocery store and buy only the discounted store items, you can save \$20 to \$40 every week, says **Lori Mackey**, a financial literacy expert and founder of the 7-year-old Los Angeles-based company Prosperity 4 Kids, which teaches money-management principles to children.

Add in a membership to a wholesale buying club such as Sam's or Costco for nonperishable items such as toilet paper, and you can save even more by buying in bulk. Though a club membership costs money – \$40 or \$50 annually at Sam's or Costco – it usually pays for itself in one visit.

Savings: Taking the \$40 grocery figure, our family would save \$173 on average per month, about \$2,080 a year.

11. Dine out less.

The occasional dinner out for a family of four costs money – about \$60 a meal at the average sit-down restaurant. If you're treating yourself just once a week, that's easily \$240 a month.

Fortunately, it's also an easy place to save money – just do it half as often, Mackey says, and make the home alternative fun. "Have a movie night at home and make a healthy dinner and snacks, and you're going to save all the way around," she suggests.

And for the two meals you do eat out, check your local mail-service coupons or go online to find restaurants that are offering buy-one-get-one meals, says **Cathy Freund**, a strategic marketing expert and owner of a Money Mailer franchise in Kansas City, Mo.

Savings: Our family could save about \$120 per month by cutting down restaurant visits from four times out a month to two, for \$1,440 per year.

12. Work out on the cheap.

With the average monthly cost of a gym membership hovering around \$40 a month per person, it seems a small price to pay to invest in your health and longevity. But to help cut that down, look for new gym openings in your area. New ones will give you a discount, and they sometimes will freeze that good price for life.

Of course, an unused gym membership is of no use to anyone – so if you find yourself in that boat, you should probably drop the membership and invest in some good home-workout videos, or spend more time playing outdoors with your children and pets.

Savings: Dropping a little-used gym membership can save \$40 per month on average (obviously more in high-cost areas such as Los Angeles and New York City), or \$480 per year.

13. Save on prescriptions.

With the average price of a prescription drug hovering at just under \$70, there's no reason whatsoever to use anything but generics whenever possible. For example, the high blood pressure drug Norvasc costs \$221.96 for 90 5 mg tablets at Drugstore.com; generic amlodipine besylate costs \$22.99.

Though some insurance companies require prescriptions to be obtained through specific mail-order services, ask about alternatives. Walmart offers hundreds of prescription drugs for either \$4 for a 30-day supply or \$10 for a 90-day supply. Also, ask your doctor for a longer prescription plan, suggests **Dennis R. Marvin**, a certified financial planner and founder of Marvin Wealth Management in Cleveland.

Savings: For a family spending \$200 a month on prescriptions, these strategies could save half that amount or more – \$1,200 per year.

14. Slice entertainment costs.

Keeping today's teens entertained is an expensive business. With books

averaging as much as \$9 for a paperback, \$26 for a hardcover, movies at \$8 a ticket, music CDs about \$16 apiece, and DVDs \$20 apiece – \$25 if it's a Blu-ray – it's easy to see how a \$100-a-month entertainment budget won't last very long.

Financial literacy expert Mackey's advice: Never own what you can rent, and never buy new what you can instead buy used. Netflix, Redbox kiosks, and any number of e-reader devices and books are your new best friends – all the entertainment for a fraction of the price. Plus, some stores, such as GameStop, offer trade-in programs for even greater savings (and less clutter in your house).

Savings: Taking some frugal strategies in the entertainment area can save \$75 a month, adding up to \$900 a year.

15. Lower your car payments.

The rule of thumb with cars is never spend more than 8 percent of your monthly gross income on payments. For a family of four making \$80,000 a year, that's about \$533 a month.

If you're at that level (or higher) and want to lower it, you may be able to refinance your auto loan(s) with MoneyAisle.com, a website that allows banks and credit unions to bid for your business by offering low APR rates.

As financial planner Marvin says, banks and credit unions generally offer much lower interest rates on car loans than dealerships, so having them compete for your business only makes sense.

Savings: The average customer saves \$1,200 a year, according to MoneyAisle.com.

16. Gas up for less.

This economy means it's a buyer's market on almost everything – except gasoline. With prices climbing past \$4 a gallon, our family of four with multiple vehicles easily can spend \$400 a month filling up. But if you have a grocery store loyalty card or belong to a wholesale buying club, Mackey says, you usually can save 5 or 10 cents a gallon. Also, look for smartphone applications that tell you where the cheapest gas is in your town – that can shave as much as 5 percent from your monthly bill (\$20 a month).

And if you drive for work, make sure you get the most out of those tax-deductible miles: For \$150, consider CarCheckup (www.carcheckup.com), a device about the size of your cellphone that plugs directly into your car's diagnostic port under the steering column. Plug it in whenever you are making a work trip, picking up office supplies, etc.; it will record all the relevant information from your car's computer while you drive. Afterward, simply unplug it, swing out the built-in USB port, and plug it into your computer to upload the date, time, mileage, and other data from your trip automatically.

Bonus: CarCheckup also reads "check engine" light information to make it easier to talk to your mechanic about repairs – and to make sure your teen

didn't borrow the car to go joy riding instead of to class.

Savings: If you are driving 70 miles each week for work, reimbursed by the IRS at 50 cents a mile, that's \$1,820 you can deduct from your taxes at the end of the year. In the 28 percent tax bracket, that can mean \$509.

17. Call for cheaper cell bills.

A family spending \$300 each month on a cell phone plan needs to shop around for better deals, which come out all the time in this competitive market. "Stay updated on what your cell phone company is offering, even if you've been a customer for a while. I just did this, and they were able to drop our bill by \$40," Mackey says.

Also, go online and see if you can drop features from your package you're not using; that can yield an easy 10 to 15 percent savings (\$540 a year).

In addition, if you're not under contract with a provider and T-Mobile coverage is good in your area, head to Walmart: The superstore is offering unlimited text and talk through T-Mobile, starting at \$99.99 to families of two, with additional lines available for \$30 apiece.

Savings: A family of four could potentially save up to \$140 per month depending on their current service, or \$1,680 a year.

18. Lower your credit-card and loan costs.

The average U.S. household carries \$7,394 in credit-card debt, according to IndexCreditCards.com. And the average interest rate charged on a card carrying a balance is 13.67 percent, according to the Federal Reserve System. That means the average person pays about \$85 in interest alone every month.

"Ask your lender for a lower interest rate," Mackey advises. "Shame on banks for not working with people if they don't. If you're paying 16, 19, 24 percent – I don't see why the banks wouldn't lower it for you. If they're charging other people 10 percent, why wouldn't they [offer] it to you?"

Finding another card is another option, Marvin says. "If you're paying 16 to 24 percent, and your credit is good and you can get a card that's 14 percent or less, look for a card to switch to," he says, suggesting a site such as CreditCards.com to seek alternatives. "You can use that information as leverage with your current bank, too, if you want to try to negotiate a lower rate. If you don't ask, you're not going to get anything."

Savings: For the average amount listed above, negotiating the interest rate from 13.67 percent to 10.99 percent would save \$17 in interest each month, or \$204 per year.

19. Rein in clothing expenses.

Given how much clothes can cost, it's key to slash your monthly shopping and dry-cleaning expenses. A family spending, say, \$125 a month just needs to use more forethought: Only buy what you absolutely love, Mackey suggests.

Shop for coats in the summer and swimsuits in the winter; buy only what's been discounted, and look for good consignment stores in your area.

Also, with a few key investments in home-care items – a good \$50 clothes steamer, maybe \$10 here and there for a package of Dryel – you might not need to bother dropping your clothes off at the cleaners at all.

Savings: These suggested changes could save as much as \$62.50 per month, or \$750 a year.

Total Savings, Entertainment and Daily Essentials: \$10,443

Your Home

20. Refinance your mortgage.

Unless you have a spectacular deal on your mortgage, it always pays at least to look into improving your situation through a refinance. After all, cheaper money is cheaper money, and the savings can stretch into the thousands over the life of a long-term cost such as a home loan.

Savings: Refinancing a 30-year fixed home mortgage that was acquired at an interest rate of 6.5 percent, to a rate of 4.75 percent will lower our example family's payments by \$2,385 a year, providing parents with funds they can invest for their retirements or for their children's educations.

21. Unplug appliances when not in use.

In the average home, 75 percent of the electricity used to power home electronics and appliances is consumed while the products are turned off. The biggest energy hogs are electronics: the fax machine, printer, copier, and computer monitor. Even items with a "standby" setting, such as a television or DVD player, can suck up energy.

Unplug these devices when you aren't using them, or plug a group of appliances into a power strip for easy shut-off when you leave the room, suggests **Nishank Khanna**, co-founder of UnderTag.com, a website that helps consumers find the best deals.

Savings: Turning off one fax, one computer monitor, and one television regularly when not in use could save \$6.10 a month, or \$73 a year, Khanna says. And you can save up to \$165 per year if you unplug everything when you're not using it.

22. Cover your windows with honeycomb shades.

The average 2,000-square-foot house has between 15 to 20 windows. Research shows that adding properly installed honeycomb window shades such as Hunter Douglas' Duette Architella, the first and only window covering to qualify for federal tax credits for energy efficiency without add-on insulation systems, can save up to \$60 in annual energy costs per average-sized window.

By the way, if this tip interests you, **John Milligan**, president of Goals2Green.com, suggests hiring a certified home-energy expert to perform a full energy audit on your home.

"You can find auditors in your area by searching the Residential Energy Services Network website at www.resnet.us/trade/find-raters-auditors," Milligan says. Once the audit is complete, you'll know exactly what you need to do to lower your home's energy use.

"Not only can you save major money with these improvements, you'll be helping to protect the environment through reducing household energy usage and greenhouse gas emissions," says **Bill Cunningham**, an energy-efficiency expert with home heating and cooling equipment manufacturer Lennox Industries.

Savings: Outfitting all windows with honeycomb shades could result in an energy savings of \$900 to \$1,200 a year.

23. Make a light switch.

Replace your five most frequently used incandescent light bulbs with compact fluorescent bulbs, which use less energy and can last up to 10 times longer, Cunningham suggests. Also, consider motion sensors for outdoor lighting and occupancy sensors indoors to shut off lights automatically when no one is in the room.

Savings: Together, these two improvements can save \$65 per year.

24. Install an Energy Star-qualified programmable thermostat.

Taking the time to program it so you can use it properly can cut costs significantly, Cunningham says.

Savings: A programmable thermostat can save you up to \$180 a year.

25. Reset your hot water heater.

Lower the setting on your hot water heater from 145 degrees to 120 degrees – the only place you'll notice the difference is on your utility bill.

Savings: This simple move will save up to \$61 per year.

26. Replace your shower head.

A new 2.5-gallon-per-minute, water-efficient shower head – coupled with a shower of 10 minutes or less – will take 5 gallons of water less per shower, as well as less energy to heat the water.

Savings: With average shower use of our sample family, a new head can save up to \$145 a year.

27. Wash clothes in cold water.

Cold water keeps colors brighter if you use a laundry detergent formulated for use in cold temperatures, Cunningham points out.

Savings: Going cold can save \$40 a year.

28. Repair faucet leaks immediately.

Hot water leaking at a rate of one drip per second can waste up to 1,661 gallons of water annually, as well as the electricity or natural gas that heats the water.

Savings: On average, repairing a leaky faucet can save \$35 a year.

29. Clean the lint trap in your clothes dryer.

It's easy to forget, but taking a moment to swipe out the lint before running the dryer helps the machine run more efficiently.

Savings: Doing this before every load of laundry you put into it can save \$34 per year.

30. Install a solar water heater.

Depending on where you live, you could save 50 percent on the cost of a solar water heater courtesy of tax credits and grants at federal, state, and local levels.

Savings: Potentially, a solar-powered heater can save up to \$800 a year.

31. Get rebates for replacing appliances.

Utility companies often offer rebates in order to encourage consumers to replace energy-gobbling appliances with energy-saving ones. Check with your utility companies to see current offerings, as well as with the Database of State Incentives for Renewables and Efficiency, www.dsireusa.org, to find out what's available in your area.

Savings: Depending on what appliances you buy, you can save as much as \$750.

32. Insulate your attic.

Only 20 percent of U.S. homes built before 1980 are well-insulated, according to consumer finance expert **Kevin Gallegos**, vice president of Freedom Debt Relief.

"Hiring a reputable insulation company to spray appropriate insulation can be one of the most efficient ways to reduce heating costs in your home," Gallegos says.

Savings: Insulating a previously uninsulated, 1,000-square-foot attic will save \$420 per year.

33. Replace old refrigerators.

If your fridge is older than 15 years, it can be using up to three times as much power as a newer, Energy Star-rated fridge, advises **Stuart Hickox**, founder of One Change, a nonprofit organization that helps people make smart energy choices that protect the environment.

Savings: Chucking an old, inefficient fridge can help you pocket up to \$120 per year in energy costs.

34. Try the "natural" air-dry setting.

Open the door to your dishwasher when it's finished washing to let dishes air dry, Hickox says.

Savings: This simple tactic can save up to \$30 per year.

35. Replace water-slurping lawns with wildflowers.

More than half the average U.S. \$51-per-month water bill goes to watering lawns, says **Chris Cipriano**, owner of Cipriano Landscape Design. Replace your water-loving grass with wildflowers you have to water for only a few months initially and mow once or twice a year once they are established.

Savings: Following this advice can save you \$300 a year on water and as much as \$900 a year on yard maintenance, for a total of \$1,200.

36. Host a plant swap.

"Every gardener has too much of something," Khanna says. "While you're dividing and redesigning in the spring, ask your gardening friends to pot up some extras to exchange."

Savings: Compared to buying new landscaping plants, the savings could be as much as \$120 per year.

37. Start your plants from seed.

The price of a packet of seed keeps going up, but so does the price of plants. "Since you usually get more than you can use, why not set up a seed exchange with your gardening friends, as well?" Khanna asks.

Savings: Depending on your previous gardening spending, this tip could save as much as \$80 per growing season.

38. Buy pet meds online.

Simply keeping pets free from fleas can cost \$20 a month or more when you buy prevention at your veterinarian's office. Also, should your pet require medicine for medical problems, especially chronic ones, buying the prescribed meds online could cut your expenditure by 40 percent.

In addition, you may be able to find low-cost pet vaccinations through your city or county, which could save as much as \$50 a year per pet. Check online or call your local government's informational line, if applicable.

Savings: You'll have to obtain a prescription from your vet, but you easily could wind up saving \$550 or more per year if your pet is on medications.

39. Keep tires properly inflated.

Taking note of the proper inflation level of your tires, and then pumping them up to that level, can reduce wheel drag and save up to two weeks' worth of fuel, Hickox says.

Savings: Based on average fuel costs, this could save about \$120 per year.

Total Savings, Your Home: \$8,500

Travel and Leisure

40. Always price shop when traveling.

Since the name of this game is cost savings, put aside favoritism and loyalty-program memberships and focus relentlessly on price. Sites such

as Kayak.com and Travelocity.com make comparison shopping quick and easy, displaying prices for many airlines side by side. Be sure to check the "include nearby airports" and uncheck the "nonstops only" boxes.

As an example, flights to London from Los Angeles in April were priced at \$750 on KLM, with a stop in Detroit or Minneapolis. A nonstop on British Airways, on the other hand, was priced at \$1,139.

Savings: In our example, choosing KLM over British Airways to London would net a savings of \$389 per ticket, and \$1,556 for our family of four.

41. Cash in your air miles.

There may be no such thing as a free lunch, but to the extent that you didn't pay extra to earn your frequent-flier miles – you didn't, right? – flights bought with those miles are free. The largest programs, which are those of American, Delta, and United, offer the most flights, both for earning miles and for award travel when it comes time to redeem them.

Savings: Depending on whether the trip is domestic or international, our family of four would save as much as \$5,000 by funding the air portion of its overseas vacation with frequent-flier miles.

42. Use the right plastic overseas.

When traveling abroad, using a credit card with no foreign-transaction fees will save between 1 and 3 percent on charges. Among the credit cards with no surcharges for foreign purchases: Capital One cards, Citibank's Premier card, and the Chase-issued cards linked to the loyalty programs of Hyatt, Continental, and United.

Savings: Our family of four easily could rack up charges of \$5,000 on a weeklong trip to Europe, including hotels, meals, and shopping. A savings of 3 percent would be \$150.

43. Sidestep bag fees.

Most major U.S. airlines charge \$25 for the first checked bag, even more for the second. If the luggage weighs more than 50 pounds, the fees are higher still.

There are several ways travelers can check their bags for free. First, fly on Southwest or JetBlue, neither of which charges for the first bag checked. Or become an elite member of your airline's frequent-flier program, which entitles you to free checked bags.

Also, be sure to keep an eye out for deals from a seemingly unlikely source: hotels. Through April 30, InterContinental was offering to reimburse travelers for airline bag fees when they made weekend stays at any of its 4,500 hotels. The chain has extended this offer once, and may do so again.

And lastly, some airline-affiliated credit cards, including those of Continental and Delta, entitle the user to free checked bags.

Savings: Four people flying round trip could rack up \$200 in charges for

checking just one bag each. If our family takes three trips annually, the savings could total \$600.

44. Prepay to save.

If your travel plans include one or more nights at a major chain hotel, consider opting for one of the increasingly prevalent advance-purchase rates, typically offered at a 25 percent discount over regular rates.

The savings come with a measure of risk. Such rates require prepayment in full and are nonrefundable, which means that you could forfeit hundreds of dollars if your plans change.

Savings: Our family of four staying five nights in two rooms easily could tally \$2,000 in hotel expenses in higher-priced cities such as New York, London, and Tokyo. A 25 percent savings would amount to \$500.

45. Say no to fuel surcharges.

Fuel surcharges rise and fall, ostensibly in response to changes in the market price of jet fuel.

The surcharges are, among other things, a ploy to allow airlines to advertise attractive "base" fares, but they collect substantially more when consumers actually buy their tickets. Ethics aside, the extra fees make it difficult to comparison shop because the real price, including fuel surcharges, isn't disclosed until the final step in the booking process.

But not all airlines charge them, and there's no consistency among airlines that do. Choosing airlines that don't can yield significant savings, in addition to the satisfaction of having dodged a gouge.

British Airways is among the worst abusers. For a recent flight between Los Angeles and Frankfurt, Germany, via London, its base fare was \$737, but "taxes, fees, charges, and surcharges" amounted to an additional \$624.84, of which \$384 was a fuel surcharge. Compare that with American, which at the same time charged a base fare of \$693, with an extra \$182.90 in taxes and assorted fees but no fuel surcharge.

Savings: Assuming all else is equal, sidestepping British Airways' fuel surcharge by booking a carrier that imposes no such surcharge would save \$384 per ticket, and \$1,536 for our family of four.

46. Play the culture card.

Got a Bank of America-issued credit or debit card? Got a yen for culture? Bank of America's "Museums on Us" program gives holders of its credit cards free access to about 150 participating museums, zoos, and other attractions on the first full weekend of every month.

Savings: Let's assume that the parents in our hypothetical family of four have Bank of America plastic in their wallets and assume further that they're visiting a museum-rich area such as Southern California.

A weekend culture jaunt might consist of a Saturday spent visiting the Los

Angeles County Museum of Art (\$15 admission), the Skirball Cultural Center (\$10), and the UCLA-adjacent Hammer Museum (\$10). On Sunday, head south, scheduling stops at the Museum of Latin American Art in Long Beach (\$9), the Birch Aquarium in La Jolla (\$12), and the Museum of Photographic Arts in San Diego (\$8).

The free admissions would amount to a \$64 savings per person, \$128 for the couple. (The kids would still have to pay admission.)

47. Leverage currency-conversion rates.

The value of the dollar relative to other currencies is anything but constant. And therein lies an opportunity. Setting your foreign travel sights on a country whose currency is weak compared with the dollar can yield significant savings.

While the currencies of Taiwan, Malaysia, China, and Singapore, as well as the euro, have gained value against the U.S. dollar over the past year – undermining the dollar's buying power in those areas – the dollar is up about 9 percent against the Vietnam dong, for example, making a trip to Hanoi, Saigon, and perhaps a beach town such as Nha Trang a relative bargain. (To check current and historical currency-conversion rates, visit websites such as XE.com and OANDA.com.)

Savings: A one-week Vietnam trip, which easily could have cost \$4,800 for our family of four a year ago, would be about \$432 cheaper today, even as the cost to visit other overseas locations has been steadily on the rise.

48. Fly opportunistically.

Travelers who are flexible (and adventurous) can save big by taking advantage of last-minute Internet-only airfare deals offered on low-demand routes for travel the following weekend.

How much can you save? It varies, of course, depending on the route and the time of year. But **George Hobica**, fares expert and founder of AirfareWatchdog.com, puts the savings at "anywhere from 40 to 70 percent less than non-last-minute weekend fares."

Admittedly, the price you pay for such savings is compromising on your "dream" destinations: The featured flights are more likely to be to Omaha than to Orlando or Oahu. That said, if you want to get away and you're short on extra cash, you can try approaching such weekend escapades with a Zen-like mind-set, reminding yourself (and the rest of the family) that travel is its own reward. Even the least-ballyhooed destinations usually have their charms.

Savings: With the average price of a domestic flight at about \$350 as of this writing (and unfortunately rising), a weekend getaway for a family of four normally would cost approximately \$1,400 in airfare. Assuming a 40 percent discount – at the conservative end of Hobica's estimated range – the savings would total \$560. And two weekend trips at the Internet rates would net a savings of \$1,120.

49. Seek new routes.

Another version of opportunistic flying is taking advantage of the low fares often offered on new flights.

A recent example is American Airlines' launch of new Shanghai flights, from April 5. To promote the new service – and fill its planes on this previously unserved route – the airline offered \$798 round-trip fares from a host of U.S. cities, including Chicago, Denver, Phoenix, Miami, Dallas, and Los Angeles.

Savings: With taxes and fees, the price for a Miami-Shanghai round-trip ticket was \$882 on American, while a comparable round-trip ticket from United was priced at \$1,711. Choosing American would have yielded savings of \$829 a ticket, and \$3,316 for our family of four.

50. Bundle up to save.

Travel packages – bundling flights, hotel, and sometimes theme-park tickets or a rental car – can offer significant discounts because of the suppliers' ability to negotiate volume discounts and pass the savings on to consumers.

Start by checking the websites of the largest online travel agencies, which are Expedia.com, Travelocity.com, and Orbitz.com. Increasingly, the airlines themselves also are marketing packages on their own websites.

Savings: At Expedia.com, for example, we found a three-night package for two in San Diego, including air (United Airlines) and hotel (Hyatt's Andaz), for \$1,052, a savings of \$598 from the normal prices. Purchase a second package for the other two members of the family, and the total trip savings would be \$1,196.

Total Savings, Travel and Leisure: \$15,534

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