

How to be a savvy saver

Tips from a shrewd business negotiator

by Master Sgt. Sidney H. Cooper
photo by Master Sgt. Lance Cheung

Vital stats

Name: Master Sgt. Sidney H. Cooper
Unit: 174th Fighter Wing, Hancock Field, Syracuse, N.Y.
Born: July 22, 1944
Served in Air Force: 1963 to 1967
Education: Bachelor's degree in business management
Civilian job: Senior buyer in purchasing for 25 years. Retired in 2001.
Served in Air National Guard: Joined in 1985 at age 42. Retires in July.
Keys to success: Honesty, trustworthiness and resourcefulness.

Having worked as a former senior buyer in a purchasing department in a civilian firm for 25 years, I earned management's respect as a shrewd negotiator and business person.

During that quarter century, I gained a lot of knowledge about financial matters, especially about saving money and purchasing things of value with little money down. The key to my success is honesty, trustworthiness and resourcefulness. By following a few of my tips, you, too, can live a comfortable life debt free.

Purchase power

Everyone has purchase power, no matter how much your income. The key to success is how you use it to your advantage. In negotiations it's not always the money that's important. It's how you play the game that wins you the victory. What clinches deals is what I call the "ice cream cone" offer. For example, when negotiating for a car, you and the seller discuss pricing. However, you can't agree on the final cost; therefore, the seller says he'll throw in a free stereo or television. From the seller's point of view, that's the "ice cream cone" offer. He's enticing you to agree on the final cost. From the buyer's point of view, don't accept the offer. Look for discounts elsewhere, or visit another dealer. And compare the best offers, but make sure it's an apple to apple comparison.

Establish goals

The biggest key to success is setting goals, not one, but many. Be flexible with your goals. Also be flexible during negotiations.

As a member of a munitions squadron, Master Sgt. Sidney Cooper knows a lot about ammo. As a former senior buyer in purchasing, he's also knowledgeable about saving money. Sergeant Cooper deployed to Southwest Asia supporting Operation Iraqi Freedom, and retires in July, but not before sharing some cost-saving tips.

When you enter into negotiations — whether it's for a car, a home or land — think about your options beforehand. Plan your attack and play your cards closely, without revealing your hand. Success is in how you play the game. For example, propose little to nothing in your first offer. Of course, the seller is going to want more, but think about the counter-offer a short while, then offer him less than he wants. It's called bartering. Be prepared to barter.

The art of negotiation is knowing how much you can afford to pay for something, and then paying less for it.

Every cent counts

You really need to start saving when you're young, like in high school. It doesn't have to be a great deal of money, but it needs to be something you do daily. Save your pocket change or a percentage of your income. You'll be surprised how that adds up. Investments can take many forms — land, houses, a 401-K account, Roth and Individual Retirement Account investments, savings bonds, an annual raise and shrewd buying.

It's never too late to start saving, but it's especially beneficial if you start early in life. You don't need a great deal of money to save. The idea

is to save something. Something is better than nothing. Most people receive an annual pay raise. Get in the habit of saving something annually by placing that pay raise into your savings account. Better yet, take out a savings bond directly from your paycheck. What you don't see you'll never miss.

Seek out savings

Savings also come in the form of discounts, coupons and savvy experiences. You must open your eyes to realize what's out there. Seek out military discounts. Savings can also be found in auto club and other memberships.

Look for sales, buy over the Internet or through catalog houses, and avoid extra costs in shipping and taxes. Read the newspapers, listen to others and then make your decision after reviewing the facts. After all, you have to live with your decisions, right or wrong, but by being savvy or a wise person, you can minimize your loss.

Opportunities for windfalls

Military members have many ways to increase their net worth, whether it's going overseas and receiving a cost of living adjustment, getting extra housing pay for living in a foreign country, or getting a few extra bucks after a temporary duty assignment.

There's money to be made if you want it bad enough. Promotions are another way. Also, watch your spending habits. You don't have to be a miser, but you can be organized and thoughtful about your purchases. Be yourself and don't live like the Joneses. Be a wise individual, take one step at a time, and soon you'll see the savings.

Mentors

As you gain experience and success, pass ideas onto the younger generation by being a mentor. True mentors will go out of their way to help and educate others by sharing their experiences. And if you don't have a



How money savvy are you?

Test yourself on the lingo used in making, or losing, money.

1. CD

- A. Compact disc.
- B. Certificate of deposit.
- C. Collateral damage.

2. Annuity

- A. The monthly payment given to a divorced spouse.
- B. An annual savings plan that involves supplementing your retirement income with cost-saving commissary coupons.
- C. An insurance company contract that agrees to make regular payments to someone for life or for a fixed period.

3. Gross income

- A. The income earned before taxes and other deductions.
- B. The income earned after taxes and other deductions, sometimes referred to as the "bottom line."
- C. Airman basic pay.

4. Revolving credit

- A. A credit agreement that allows consumers to pay their credit with cash only, otherwise, "some very bad things could happen to youse knees."
- B. A credit agreement that allows consumers to pay all or part of the outstanding balance on a loan or credit card.
- C. A credit agreement where the loaning institute agrees to waive all interest if the credit is paid in full each month.

5. Security interest

- A. One of the main missions for the North American Aerospace Defense Command.
- B. A creditor's right to seize property or a portion of property offered as security.
- C. Purchasing saving bonds to better secure a financial future.

6. Asset

- A. An increase in the value of property.
- B. If you're in a band, having large lips and being able to play a guitar.

C. Current cash and other items readily converted into cash, usually within one year.

7. Bond

- A. A certificate issued by a corporation or government stating the amount of a loan, the interest to be paid, the time for repayment and the collateral pledged.
- B. The certificate issued by a company after having bought shares of the company, which entitles the buyer to a share in the ownership of that company.
- C. An international spy who prefers his martinis shaken, not stirred.

8. Float, as in "floating a check"

- A. Writing a check without having sufficient funds.
- B. Checks being written in the commissary on the day before payday.
- C. Money that's been committed but not yet credited to an account, like a check that's been written but has yet to clear.

9. Equity

- A. The value of property beyond the amount owed on it.
- B. The value of property in addition to the amount owed on it.
- C. That point in time where the man of the house routinely does the dishes and the woman mows the lawn.

10. Yield

- A. Reducing speed and giving way to crossing traffic when encountering a flashing yellow light.
- B. The annual rate of return on an investment, as paid in dividends or interest.
- C. The annual amount earned on an investment.

Answers: 1-B; 2-C; 3-A; 4-B; 5-B; 6-C; 7-A; 8-C; 9-A; 10-B

— Tech. Sgt. Orville F. Desjarlais Jr.

mentor, look within yourself to be successful. That's what I did.

Also, get a buy-in from your spouse. Make saving money a family project. I live very comfortably with my wife.

We have two summer homes, a house and are debt-free. The most important aspect of my savings ability is the support my wife has given me over 35 years of marriage. ☺