

# BUDGETING

## A Visual Guide to How Small Cutbacks Lead to Great Savings

Don't be discouraged by the word "budgeting" — it doesn't mean your wallet is an inflexible medium which must be split into appropriately sized "pie slices." Your budget is actually able to expand and stretch in surprising ways. Many daily and so-called "small" purchases add up from chump change to wads of cash over the course of a year. In fact, a household could **save more than \$8,800 a year** by adopting the following suggestions. Here's a closer look at frivolous spending and some convenient alternatives that can save you a lot of money in the long run.

**Insulate your home!**  
Almost 45% of a homeowner's utility bill goes toward heating and cooling.

### ATTIC

Environmentally friendly CFL bulbs are both cheaper and longer lasting than standard 100 watt bulbs.

A house using 20 bulbs will **save \$150 a year** by switching to CFL bulbs, and simultaneously reduce their carbon dioxide emissions by 1,877 pounds.

**Regular bulb**  
\$10.99 for 8,000 hours

**CFL bulb**  
\$2.53 for 8,000 hours

**Savings:**  
\$8.46 per bulb

### BEDROOM

The average U.S. family spends **\$1,881** on clothing annually.

Consider shopping at **Goodwill**; you can often find high-end items normally priced around \$75, for as little as \$2 to \$5.

When shopping, **peruse cheaper stores** first before visiting the more-expensive ones. **Lose the brand obsession** — looking good overrules the name on the tag.

**Buy clothes out of season.** Shop for bathing suits at the end of the summer or coats at the end of winter. Many out-of-season products are marked down between **30%-70%**.



Invest in a programmable thermostat and never forget to adjust the temperature.

Keeping the temperature at **68°F** (winter), **78°F** (summer) could save you **\$400-\$500** per year.

### BATHROOM

A low-flow showerhead will save about **\$15 a year**.

**Cleaning supplies**  
By switching from name-brand to generic, your yearly average cost of \$639 can be **cut to \$384**.

A 20oz or 32oz bottle filled with water and placed in the toilet tank will reduce water use. Each flush is about one cent, roughly **\$48 a year**.

### KITCHEN

#### Make your own coffee

A cup of joe at a corner café can run **\$3**. Coffee addicts can spend up to \$30/week, \$120/month or \$1,440/year.

Home-brewed coffee costs about **50 cents a pot** (2-4 cups).

#### Morning routine

Eating fast-food breakfast every weekday morning: **\$25 per week**. Fixing a breakfast burrito or eggs at home: **50 cents a day**, a **\$1,000+** a year savings.

**Kick the soda habit**  
\$6/case of soda each week = **\$312 a year**.

Comparison shop local grocery stores. Typical savings: **\$20 a week** (or \$1,040 a year) just for basic essentials and produce. The average U.S. family spends **\$3,465 a year** on food at home.

Bottled water for one person can cost **hundreds of dollars a year**. Why pay for plastic and shipping costs when tap water is free?

### DINING ROOM

The average person spends **\$2,668 a year** eating out twice a week, and about **\$450 a year** in alcohol consumption.

Limit yourself to eating and drinking out once a week and **save more than \$1,500 a year**.

Hold potluck dinners and drink in with friends. Now you're **not** paying/tipping for someone else's services.

### LIVING ROOM

**THE AVERAGE AMERICAN FAMILY SPENDS \$2,698 A YEAR ON ENTERTAINMENT**

Premium cable channels cost \$35 a month, Netflix costs \$20 a month, but the library is **free!**

A **\$40 LCG4** electrical strip can be used to cut power to several appliances with just one click.

**Appliances sap electricity even when turned off.**

- Laptop charger wastes **\$1.50** a month.
- 15 devices using 5 watts/hour each wastes **\$3** a month.

### HOME OFFICE

Scrutinize your monthly bills. What don't you use?

#### Cell phone

Cutting an unused unlimited service (Internet access, text messaging, etc.) **saves \$20 per month each**.

Cut the landline and **save \$240 a year**, even more if you factor in long distance charges.

You could pay \$360 a year for a gym membership, or exercise at home for **free!**

Time to quit smoking? 5 packs a week: **\$1,800 a year**

Home or indoor gardens can **save up to \$10 a week** vs. grocery produce.

**Air conditioner**  
Well-maintained ones cost about \$550 for 3 years. Poorly maintained ones cost **nearly double**.

Energy Star models cost **up to 50% less** than old or inefficient models.

### BASEMENT

Insulating your hot water heater with a heat blanket can **save up to \$50 a year**.

Remember to leave holes for the temperature gauges as to not void your warranty.

Keeping your water heater at a comfortable **110°F** can save **\$40 a year**.

110°

### GARAGE

Gasoline and motor oil costs an average of **\$2,384 a year**.

If your commute is 25-miles round-trip, carpooling for half that time over 50 weeks will **save \$570 a year**.

You should have your oil changed every 3,000 miles.

Over four years/50,000 miles, the average driver is looking at about 16 changes.

A typical garage charges \$25 per change = **\$400**.

If you do it yourself, \$10 per change = **\$160**.

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