

Saving by Changing the Small Expenses

It's the little things...

When consumers try to cut expenses, they usually look at the big items. Forgoing the purchase of a new appliance, keeping a car another year or searching for cheaper insurance can be a major help in freeing up money to meet your goals. Often overlooked are the small, recurring expenses that can really add up. Many of these are not necessities.

Here are some items that may be a problem and substitutions that may help you:

Double Latte

Find a cheaper place, or buy a machine and make it yourself.

Glass of Wine in a Restaurant

Have a glass of wine when you cook a special dinner at home instead.

Cigarettes

In the long run, the medication to help you quit smoking is cheaper.

Fast Food

Cook ahead so you aren't making last minute decisions. Have a list of simple meals that you can prepare quickly.

Vending Machines

Do you really need it? If so, buy it in bulk to save money.

Your Child Wants Money

Put them on an allowance, and stick to it.



Refreshments at the Movies

Bring your own.

Going to the Movies

It is much cheaper to use a video rental or monthly service.

Soft Drinks

Buy them from the supermarket or wholesale club.

Lunch at Work or School

Brown-bag it.

Lottery Tickets

You have a better chance of getting struck by lightning. When was the last time you had even one number right?

Small Credit Card Balances

Pay them off. The few dollars in interest is just like anything else on this list; it adds up.

For example, the costs of a double latte at your favorite coffee shop adds up.

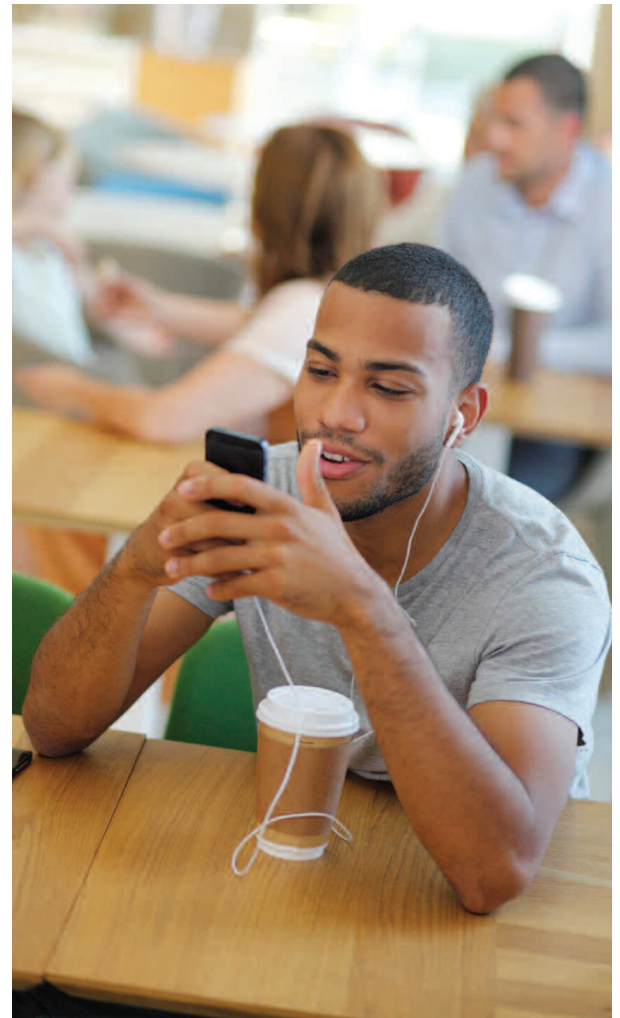
\$5 a day
\$100 a month
\$7,348 after 5 years
\$58,902 after 20 years
\$149,000 after 30 years

Financial projections assume an 8% interest rate compounded monthly.

Suppose you currently spend \$5 per day five days per week. It doesn't seem like much, but that is \$100 at the end of the month. If you are saving to buy a house, you could have \$7,348 toward the down payment in five years. In 20 years, you could have \$58,902 towards your child's college education. If you put the money in your 401(k) and retire in 30 years, you would have over \$149,000.

To get these items under control, the first thing you want to do is know what you are spending. You can track your expenses using our "Living on a Budget" tracker, which can be found in the education library on our website at www.navicoresolutions.org. If you make a change, it is very easy for the saved money to get absorbed into your regular budget. Instead, have the savings transferred automatically to a savings account.

Once you know what you are spending, it doesn't mean that you have to give up everything. You may choose to give up some things, cut back on others or find substitutes. The goal is to be in control.



An Educational Message from



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