



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 stop 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

If you really need it, buy it in bulk. It is much cheaper. Do you really need it?

Your child wants \$5

Put them on an allowance and stick to it.

Refreshments at the movies

Bring your own.

Going to the movies

Video rental or a monthly service.

Soft drinks

Buy in the supermarket or wholesale club, not one at a time.

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. And this one doesn't even taste good.

Remember, it is not about giving up all the little pleasures, it is about making choices, so you can have the big things you really want.



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

**\$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 a 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, in five years you would have \$7348 toward the down payment. In twenty years, you could have \$58,902 towards your baby's college education. If you put the money in your 401K and you 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 a tracking book. Novadebt will be happy to provide you with one. If you make a change, it will be very easy for the saved money to get absorbed into your regular budget. 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. It is about being in control.

An Educational Message from

novadebt

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