

# HOW MUCH CAN YOU SAVE BY ELIMINATING CERTAIN EXPENSES AND SAVING THE COST?

By budgeting and tracking your expenses, you may be able to find some items that are not within your value system. (In other words, they are not really necessary expenses.) By transferring that sum to your savings budget, regularly, those savings will begin to accumulate and earn interest.

Name some other expenses that might be reconsidered.

		<u>SAVINGS OVER</u>		
		<u>5 YRS</u>	<u>10 YRS</u>	<u>20 YRS</u>
<b><u>Expenses Costing \$25 - \$30 Per Month</u></b>		<b>\$ 1,800</b>	<b>\$ 3,900</b>	<b>\$ 9,000</b>
Large Pizza w/2 toppings (2x per month)	\$12 each			
Cable TV (Basic Family)	\$30 month			
Cell Phone	\$30 month			
Dog (1/2 can food, bath 6 mos, license)	\$23 month			
Six Pack of Beer (actual amount may vary, depending on the football game)	\$ 8 week			
<b><u>Expenses Costing About \$50 Per Month</u></b>		<b>\$ 3,200</b>	<b>\$ 7,000</b>	<b>\$ 16,500</b>
Dinner for 2 (2x per month, pasta + tip, no drinks)	\$28 trip			
Ladies Hair Salon (cut, shampoo, color, no foil)	\$70 6 weeks			
Life Insurance (\$250,000 Term, 15 yr, convert)	\$520 year			
<b><u>Expenses Costing About \$100 Per Month</u></b>		<b>\$ 6,500</b>	<b>\$ 14,000</b>	<b>\$ 32,900</b>
Lunch (submarine + soda + chips)	\$ 5 day			
Cigarettes (1 pack/day @ \$4.00)	\$ 28 week			
<b><u>Expenses Costing About \$200 Per Month</u></b>		<b>\$13,000</b>	<b>\$28,000</b>	<b>\$ 65,800</b>
Vacation (2 weeks cottage rental + expenses for 4)	\$2500 year			

Savings are assumed to be earning 3%, compounded monthly from the beginning of each period. Amounts are rounded for demonstration.

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