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 $8,400 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.

**BEDROOM**

The average U.S. family spends $1,481 on clothing annually.

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

When shopping, persevere on cheaper stores first before deciding the name of the game; focus on price and not brand obsession—looking good often means the name on the tag.

- **Tip:** Boy clothes do not season. Shop for bathing suits and swimwear by the end of the summer or beginning of winter. Many old-season products are marked down between 30% to 70%.

**KITCHEN**

- **Make your own coffee:** A cup of joe at a common coffee can run $3. Coffee at $7.16 can spend up to $150 a week, $713/month or $8,564 a year. Home-brewed coffee costs about 30 cents a pot (4 cups).

- **Tip:** Bottled water for four person can cost hundreds of dollars a year. The money may pay for plastic and other things can be filtered at home.

**LIVING ROOM**

- **Tip:** A standard cable service for a family of four who watch two hours of TV a day, 25 channels, $105 a month, but the library is free.

A $460 LGCA electrical bill can be used to cut power to several appliances with just one click.

**BASEMENT**

- **Tip:** Remember to leave the bottom of the basement open to let your warmer air in. Keep your water heater at a comfortable 110°F (43°C). To lower heat in the basement, keep the window open just enough to let the cold air in. The average driver is looking at 14 changes.

- **Tip:** If you do it yourself, you could save $150.

**BATHROOM**

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

- **Tip:** A 2- or 3-litre bottle filled with water and placed in the toilet tank will save water. Each flush is about one cup, roughly $48 a year.

**DINING ROOM**

- **Tip:** The average person spends $2,864 a year eating out, twice a week or more than $400 a year in alcohol consumption.

**HOME OFFICE**

- **Tip:** Scour your monthly bills. We don’t know if you use:
  - **Cell phone:** Cutting an unused unlimited service (internet access, text messaging) saves you $20 per month.
  - **Commuting:** Taking the bus and save $30 a year, every Penny it you have it in long-distance charges.
  - **Water heater:** You could save $300 a year for a cold-water heater or storage at home for free!
  - **Time to quit smoking:** 5 packs saved at $1,000 a year.

**GENERAL**

- **Tip:** You should have your oil changed every 3,000 miles.

- **Tip:** A typical garage changes $35 per change, $405. If you do it yourself, you could save $150.

**GARAGE**

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

- **Tip:** If your commute is 25 miles round trip, you can save half that time over 50 weeks will save $372 a year.