



Helping Employees Make the Most of Their 401(k)/403(b) Plans

Save Money on Your Home Expenses

Cut Mortgage, Utilities, and Other Home-related Costs

You can easily save thousands of dollars a year with very little effort by following even a few of these cost-saving measures. The more money-saving measures you adopt, the more money you'll save. Potential savings will vary, depending on your personal situation.

SAVE MONEY ON YOUR MORTGAGE

- Consider refinancing your mortgage. For every \$10,000 of your mortgage loan, 1/2 % difference in the interest rate saves you over \$40/year or \$3.40/month in interest expense. A \$100,000 loan at 9 1/2% refinanced at 7 1/2% saves \$142/month or \$1,704/year, for a total of \$50,991 over the life of a 30-year mortgage. **Potential Money Savings: \$1,700/yr.**
- For even more dramatic long-term savings, consider a 15-year mortgage rather than a 30-year mortgage. A \$100,000 mortgage at 9 1/2% over 15 years saves \$114,747 over the life of the loan compared to a 30-year mortgage at the same interest rate. At 7 1/2%, the savings between a 30-year and 15-year mortgage of \$100,000 would be \$84,854. A 9% loan of \$100,000, refinanced for 15 years at 7 1/2% would add \$86/month to your payment but would save you a whopping \$135,845 over the life of the loan. **Potential Money Savings: \$84,000-136,000**
- You can achieve similar results by paying an extra principal payment on your 30-year loan each month. (In the early years of a loan, the principal portion of your payment is very small. On a 30-year \$100,000 loan at 7 1/2%, the monthly principal payment in the first several years is approximately \$75 to \$85/month). **Potential Money Savings: \$85,000-136,000.**

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- Still another way to achieve these results is to pay one half of your monthly mortgage every two weeks. **Potential Money Savings: \$85,000-136,000.**

SAVE MONEY ON UTILITIES: ELECTRICITY

- Install the new type of fluorescent bulbs in lights you leave on for long periods. They provide four times as much light and last ten times longer than incandescent bulbs. **Potential Money Savings: \$10-\$50/yr.**
- Lower the temperature on your hot water heater to between 110 and 120 degrees. It's not necessary to have it any hotter and wastes energy. **Potential Money Savings: \$20-40/yr.**
- Find out if your utility company offers free energy audits, where they inspect your home for energy effectiveness and recommend inexpensive ways to cut energy costs, such as insulating hot water heaters, weather-stripping, etc. Just insulating your hot water heater could save you \$25 a year. **Potential Money Savings: \$50/yr.**
- Set thermostats no higher than 68 degrees in winter and no lower than 78 degrees in summer. Turn your heat down even further at night or when you're not home (unless you have a heat pump, which operates more efficiently at one consistent setting). Each extra degree in winter can increase heating costs by 3%. In summer, each degree can raise cooling costs by 6%. **Potential Money Savings: \$325 to \$500/yr.**
- Cut back on the use of your clothes dryer. Not only is it a big energy drain, it can also suck heated air out of your house very quickly in winter. Hang clothes on a clothes rack to dry and use the dryer for towels and other heavy items. **Potential Money Savings: \$25-50/yr.**
- Use your microwave instead of your oven whenever possible and save up to 50% in energy costs for cooking. **Potential Savings: \$50/yr.**

SAVE MONEY ON UTILITIES: WATER

- Always do full loads of laundry. A typical full load uses about 21 gallons of water. A small load uses 14 gallons. Several small loads use considerably more water than one or two large loads. Over the course of a year, this adds up. **Potential Money Savings: \$25-\$125/yr.**
- Run your dishwasher only when you have a full load. Let the dishes air-dry instead of using the heat cycle. An average dishwasher costs \$60 to \$100 per year to run. **Potential Money Savings: \$35-55/yr.**
- Fix running toilets or leaking faucets promptly. A continuously running toilet can use more than 8,000 gallons of water a year. **Potential Money Savings: \$25-125/yr.**
- Install flow restricting shower heads. A family of four can save 8,000 to 12,000 gallons of water a year. You not only save on the cost of the water, but also the cost of heating it. **Potential Money Savings: \$100-\$300/yr.**

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- Add fabric softener to your laundry at the appropriate point in the cycle instead of adding it at the end and running another rinse cycle, which can use up to 10 extra gallons of water. Figure out how much time it takes your washer to reach the rinse cycle, and set a timer so you can add softener at the right time. **Potential Savings: \$25-100/yr.**
- Use warm or cold water for washing clothes, and always rinse in cold water. **Potential Savings: \$50/yr.**

SAVE MONEY ON UTILITIES: OTHER

- Stick to basic phone service. Extra services like call waiting and call forwarding can almost double your costs for phone services. **Potential Savings: \$168/yr.**
- If you can live without cable television, you can save between \$300 and \$600 per year. If you can't live without it, get basic service only. You can rent a lot of movies for the extra \$150 to \$600 per year you pay for movie channels like HBO, Showtime, etc. **Potential Money Savings: \$144-700/yr.**
- Plant perennial flowers instead of annuals. You incur a one time cost and enjoy the flowers for years, with little additional effort or money. Annuals, on the other hand, require an outlay of cash and effort every year. **Potential Money Savings: \$100-\$300/yr.**

Call for a free half-hour analysis of your retirement account.

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