



## **How to quickly slash a Family Budget by \$3000-5000K a year.**

Let's address some low-hanging fruits -the easy stuff. In future posts, we will dive into the 10s of k's available once we go strategic and begin to implement longer-term strategies addressing taxes, debts, healthcare, transportation, housing etc.

First principle: Many small creeks make a river.

Identify RECURRING expenses – seemingly small - but once added up to a yearly sum, show their true expense.

1) A daily 5-dollar habit by two adult family members (coffee, snack, energy drink...) done at 250 workdays a year = \$2500/yr. (alternatively, look for some other habits totaling that amount)

Just do half of that and we got our first \$1250 - Woohoo.

2) According to the Bureau of Labor and Statistics, the average family spends \$3100 annually on take-out. Cut that by just 40% for a saving of \$1240 then subtract an additional \$240 for the expenses of substituting with homecooked meals as we still have to eat.

Kaa-chiing - that was \$1000.

3) Make three phone calls to:

a) An independent insurance broker to get a quote for all your insurance needs – depending on whether you rent or own your

home this could be an easy \$300-500 by switching to no-name, yet triple-A rated companies. (...and stop paying for silly TV commercials)

b) Your cell provider, ask how they can better structure the family bill. If there are no gains, call/research another carrier until you save \$30/mo or \$360/yr.

c) Repeat with your cable bill for an additional \$360/yr. (include streaming services looking for a better deal)

Ok we are up to at least \$3000....and there is so much more we can do. Notice how some of the savings are not about joining a monastery and living in abstinence, but simply doing less of...

Here is an additional list:

- Put all possible expenses on a 1.5% cash-back credit card. If you can muster 20k a year, that's \$300/yr.

- Plow through your credit card/checking account statements for subscriptions that you don't need or forgot about (like a free trial you forgot to cancel). Try to find at least 20/mo for another 240/yr.

- Buy a large storage rack and begin to buy all non-perishable goods in large quantities in turn for great volume discounts. Costco and Walmart are great places to consider. For a family of four, this should save another \$200-300 a year including less driving time picking up "run-out-of-items", like when you in horror realize there is no more toilet paper or hair shampoo.

P.s You can (and should) turbocharge those savings by using them to pay off any credit card debt which is very expensive to carry. Now you can add very expensive interest that you have saved to the total tally.

This is only the beginning.  
Happy savings. Tom