

Plug the money leaks at your house

If you're like most Canadian homeowners, you've got money falling out of your pockets at home. And we don't mean the dimes and quarters your nephew found under the sofa cushions on his holiday visit. We're talking big money: potentially hundreds of dollars.

Think we're kidding? Think again. While most of the "money leaks" are small, they can add up to some big bucks. So we've put together a list of some of the most common places to find your missing money:

- 1. Phantom load: Time to go ghost-busting.** Experts estimate that about 2-8% of the total electricity you're paying for goes to equipment that's actually turned off! You may not realize that many appliances and electronic devices use electricity even when they're not in use: VCRs and DVD players, for example, draw 6 or 7 watts to run their clocks and to stay on standby for the next time you pick up the remote. Computers, microwaves, stoves, and televisions are also phantom energy suckers. Make a plan to shut the phantoms down, and only pay for the energy you're using. Power strips can help; one flick of a switch shuts down a cluster of devices.
- 2. Chill out. We live in Canada.** We should expect that our houses will be colder in the winter than they are in the summer... not the other way around. Drop your thermostat in the winter, and wear your favourite sweater and woolly socks. You know that whole "après ski" lodge fashion look? That's you... enjoying a Canadian winter at home. Every degree lower translates to about 1% savings. In summer, do the opposite: turn the thermostat up and see how long you can go without turning the air conditioner on. Use the cool night air to naturally cool your home.
- 3. Pick the "energy saver" options.** Your dishwasher probably comes with an "energy saver" option. Ditto for your washer and dryer. Using cooler water – and avoiding overdrying – can also protect your clothing's fibres. Make a point of getting to know the energy saver

options on your appliances. In summer, try skipping the dryer altogether and hanging your clothes on an outdoor line. If you like, put them in the dryer for a 5-minute tumble before folding. Your dryer is a serious energy hog; wind and sun, however, are free. Other money leaks? Half-loads of anything. Wait until the dishwasher is full, or you've got enough items for a full laundry load.

- 4. Shopping while unconscious.** A morning latte at Starbucks, a newspaper, a mid-morning espresso and bagel, and a quick lunch with a few friends. Funny how \$15 or \$20 can go missing while you're thinking "What? I didn't buy anything!" Then you pick up the mail and get your bank statement – with charges for the pizza you order every Friday, the movie rentals that were overdue, the monthly charges for the gym you didn't get to, and the magazines you didn't get a chance to read. Add it up. Then plug the unnecessary money leaks and resolve to spend consciously.
- 5. Fix your finances.** All the savings you make in lifestyle choices mean nothing if you don't plug your biggest money leak: high interest. If you're carrying any non-mortgage debt, you've probably got a big money leak on your hands. Talk to one of the new Mortgage Planners. They're experts at using low-interest mortgage money to structure a financial plan that makes cents (sense!). If you're a homeowner, your mortgage should be the centerpiece of your financial strategy. They can show you how to save thousands of dollars on your mortgage – or how to tap into your equity to pay off other debts, or even to access cash for that renovation or landscaping project you've been dreaming of.

You may not be able to literally see it, but there's probably a trail of money scattered around your house: from lost savings, unconscious spending and neglected finances. Make this the year that you start plugging the money leaks at your house.

Mark Goode AMP

Agent #M08003177

Mortgage Broker

180 Memorial Avenue, Orillia, ON L3V 5X6

T: 705.326.8523 TF: 1-866-326-8523

mark@markgoode.ca

www.markgoode.ca



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Brokerage # 10287

Corp. Office: 6505 A Mississauga Rd., Mississauga, ON L5N 1A6
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