

A Dollar Saved Is Worth More Than A Dollar Earned

To establish your net or take home income, please do the following to properly evaluate how much you really have to spend, save and/or invest:

| | 2009 Median Household Income in U.S. (\$48,500) |
|--|--|
| Please indicate your gross hourly wage _____ | <u>\$23.32</u> |
| Subtract 6.2% for Social Security Taxes _____ | <u>1.45</u> |
| Subtract 1.45% for Medicare _____ | <u>.34</u> |
| Subtract 25% for Federal Income Taxes _____ | <u>5.83</u> |
| Subtract 5% for Utah State Taxes _____ | <u>1.17</u> |
| Subtract 8% for work related expenses _____ | <u>1.87</u> |
| Subtract 11% for church & charitable contributions _____ | <u>2.57</u> |
| This is your net hourly income _____ | <u>\$10.09</u> |

As you can see, for each dollar earned at least half goes to taxes, work related expenses, and contributions. When you save a dollar, there are very few related expenses required to secure that savings. One of the only expenses is the cost of the newspaper to get some manufacturer's coupon packets and a few great store advertized prices and coupons.

If you are actively trying to save as much money as possible on all purchases, the wage earner is not required to work as many hours to satisfy his/her family's needs and wants. Time and effort invested in saving money is time well spent.

Please look at the reverse side of this page to see the potential savings that are available to everyone. As established above, the average U.S. wage earner in 2009 netted \$10.09 per hour. Notice the number of hours the average wage earner would have to work to pay the retail price for those 40 products – over 6½ days working 8 hours a day. The Utah state sales tax alone on those products is \$33.05, and would take 3 hours of work to earn. The wage earner would only have to work for 3 hours and 46 minutes to pay the price I paid. The Utah state sales tax for the price I paid is only \$3.33 and would take the wage earner only about 20 minutes to earn.

When I see great deals, as described on the reverse side, I stock up, so I generally purchased several of each item, multiplying my savings. Also realize that this is just a small sample of the items I purchased and the savings I realized over the past 6 months. On average I save just under \$1400 per month, close to \$16,700 a year.

Another quick example of significant savings occurred in the fall of 2009 when we had to replace two 26 year old furnaces. Because we invited five reputable furnace companies to give us bids and took advantage of all the rebates and tax benefits offered, we saved over \$6000 on those two furnaces. It took me about four days to investigate the best companies on the Better Business Bureau web site, line up the bids, get the bids, and do the paper work to get the rebates and tax benefits, but the four days of work paid off nicely!