

Office for Financial Success – Financial Tip of the Week
A service of the Personal Financial Planning Department
College of Human Environmental Sciences
University of Missouri-Columbia
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[Spend It!](#)

I rarely advise people to spend money. I like to see people save money. Yesterday, however, at our [Symposium](#) someone asked the question, “Yes, I know I’m supposed to save but some economists are telling me to spend my money to help pull us out of this recession. What should I be doing?”

Let’s assume you decide to spend. If so, consider the benefits of spending in the areas below.

Money saving products – It can make sense to replace appliances, windows, doors, insulation, etc. with newer, more energy efficient models. The savings in energy costs could amount to several hundred dollars a year. [Click here, to read an informative booklet on appliances from the US Department of Energy.](#)

Relaxation expenditures – Stress can kill us, ruin our marriage, and reduce our productivity at work. These are very costly outcomes that can be reduced, if not eliminated, by reducing our level of stress. A membership at a health club – that is used – might be worth much more than the costs. For example, our family pays \$400 per year to our local community center, allowing us access to an indoor track, swimming pool, and exercise equipment. (And, yes, my wife and I use it three times a week!) For you, however, it may be the case that the best expenditure is to take a course in pottery, painting, to join the Audubon society, or to take up target shooting. Whatever it is that takes you to your special place and helps you maintain your best self should be considered.

Health Expenditures – Do not scrimp on maintaining your health. Missing work costs you money that you need, as well as increasing your rate of absenteeism. Missing work could cost you your job. (OUCH!) Take preventative measures to protect your health and quickly address medical issues so that they do not sideline you for an extended period of time.

Projects around the house – During sour economic times we can often purchase materials and workmanship at prices much below what they can be purchased during boom periods. All those young people that were building those new homes are now looking for remodeling projects. This may be the perfect time to remodel your bathroom, kitchen, or to purchase another home improvement. Be careful to assess the relationship between the costs of what you do in relation to how it adds value to your home. In this process, do not neglect the added consumption value you may receive from the improvement, while you live in the home. (We love our remodeled bathrooms!)

Food – Better quality, more nutritious food may cost you more but poor quality, junk food is mostly wasted calories with little nutritional value. This may be a good time to increase the

quality of your food intake. Consider buying more locally grown food, as a way to improve your nutrition and to increase your local economy.

Maintenance – Spend some money on the maintenance of items you have around your home; such as cars, lawn mowers, air conditioners, furnaces, and etc. Proper maintenance can extend the useful life of many consumer durables, thus lowering the lifetime cost for things that are not discretionary.

I am sure you can think of other ways where you could spend money in ways that are actually “investments” toward your *financial success*. If you have some specific ideas you’d like to share, send them to me at my gmail account (rweagley@gmail.com).

- Robert O. Weagley, Ph.D., CFP(r)

Chair, Personal Financial Planning

University of Missouri

Columbia, MO 65211

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CONTACT INFO:

- WEBSITE: <http://financialsuccess.missouri.edu>

- E-MAIL: financialsuccess@missouri.edu