

Surviving Tough Times

Here's how we make this farm work on a tight budget...

Expense	Typical Household/Yr	Heyer Household/Yr	Yearly Savings	60 Yr Savings
Home Energy	\$2846	\$750	\$2,650	\$159,000
Family Vacations	\$2,000	\$0	\$2,000	\$120,000
Cell Phone & Bill - 2 Users	\$1,200	\$0	\$1,200	\$72,000
Car Depreciation	\$3,400	\$1,040	\$2,360	\$141,600
			\$8,210	\$492,600

Assumptions

Home Energy Source for Typical Household: www.focusonenergy.com. Heyer Household: assumes actual monthly costs + amortized lifetime costs of solar/wind gear + amortized costs of storage batteries. Our actual monthly energy bill for LP & kWhrs itself (the above without the gear or battery costs) averages \$30 for 5 occupants.

Family Vacations By default, if a farm keeps livestock, vacations are not feasible. The good news: We save money!

Cell Phones Assumed 2 phones costing \$150 each replaced every 3 years + \$50/month/phone. We still operate with an old fashioned land line.

Car Depreciation Assumes a new \$30,000 car purchased and sold at 5 years compared to purchasing a 5 year old car and selling at the same 5 year interval. We keep them till they die so our savings are even greater. There are numerous depreciation calculators available on the web. Punch in your actual situation to learn of your own personal financial hemorrhage. Higher insurance rates for new vehicles add insult to injury. Using rough numbers, unless you are conscious of the fact that every mile driven is costing you 50 cents in depreciation and operating costs, you may continue to wonder where all your money goes.

Total Cost of Operating a Vehicle

This has only recently been inching its way into mainstream thinking. The chart below isolates just the gasoline costs for a small, medium and large vehicle. As a commuter vehicle, a smaller car will save over \$1500/year in gasoline costs alone. Over a 40 year career of commuting, this equates to more than \$60,000. Tires, additional oil capacity as well as other maintenance concerns all dig even deeper into your pockets with larger vehicles.



Type of Vehicle	MPG	Miles/Yr	Gal/Yr	\$/Gal	\$/Yr	Gal/200k Life of Car	Gas \$/Life of Car
Gasoline Daily Driver = Compact	35	15000	429	\$3.50	\$1,500	5714	\$20,000
Gasoline Daily Driver = Sedan	25	15000	600	\$3.50	\$2,100	8000	\$28,000
Gasoline Daily Driver = Truck/SUV	17	15000	882	\$3.50	\$3,088	11765	\$41,176

Make More Than You Spend, or, Spend Less Than You Make

Giving up family vacations, new cars and the Smart Phone is asking way too much? Yes, I'd agree that our lifestyle is a bit too extreme to be accepted by any respectable amount of households. A few elements are easy though. Driving an older car can be an element of pride (*don't laugh, it's paid for*). I can think of no way to sugar-coat the loss of family vacations other than to say that there are local alternatives. The loss of full, weeklong escapes doesn't mean people can't discover many things close by which can be enjoyed for a few hours at a time. To be fair, the good old week-long vacation always did have the unfortunate downside of returning to a mess at work which required an 80 hour week to fix. Never-the-less, it is what it is. We don't get the vacation but we do save a ton of money. I've also resisted the urge to replace the farm's workhorse pickup truck. It's a 1993 which would cost over \$50k for a comparable new model. I hope to stretch it another year. Amidst all of these avoided costs... \$50,000 pickup trucks, \$60,000 fuel avoidance on the daily driver, \$160,000 home/farm energy avoidance, \$140,000 avoided depreciation, \$70,000 avoided cell phone costs and \$120,000 vacation credits, exists the means to build a barn for the business. To boot, it wasn't paid with "profits" but rather, by raiding the labor funds intended for salary. You can search far and wide but won't find too many CEO's paying for their firm's capital infrastructure out of their own salary. This is how we are able to continue to operate this farm from year to year. While you may not have a need for a business-related expense such as a barn, nevertheless, the savings you would realize by adapting this sort of lifestyle -some or all - could make all the difference in keeping your own *boat* floating through tough times.

