


## 7 Expenses Most People Can Do Without

Stretch your budget further by sidestepping everyday costs you don't need.

By **Maryalene LaPonsie**, Contributor Aug. 17, 2018



If you buy a latte that costs \$5.99 every weekday, you'll spend about \$1,500 over the course of a year.  (GETTY IMAGES)

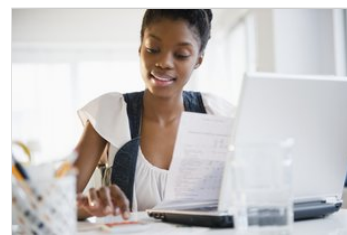
**IF YOU DON'T HAVE THE** fortune of a Kardashian or a self-made billionaire, [balancing your budget](#) is a pivotal step toward setting yourself up for long-term financial success. By taking an inventory of your expenses and eliminating unneeded items, you can [pad your emergency fund](#), boost retirement savings or take a much-needed vacation.

**[See: [8 Big Budgeting Blunders – and How to Fix Them.](#)]**

"I don't take the approach of [saying], 'Go [live a frugal life](#),'" says John Iammarino, founder of advisory firm Securus Financial in San Diego. He advises his clients not to worry about adopting thrifty habits, and instead to home in on the unnecessary charges that can be eliminated without forgoing the splurges that bring you joy.

Identifying those expenses may be more difficult than expected. "Often, when something seems like a want, there is actually a need buried in there," says Catherine New, the editor-in-chief for Varo Money, a mobile banking app. For example, people may visit the bar with friends after work, not because they want a drink, but because they need socialization as part of everyday living. Additionally, a sense of belonging may be another underlying need that triggers you to make purchases.

Still, while everyone has different needs and priorities, chances are you can eliminate these seven expenses – without feeling the pinch.

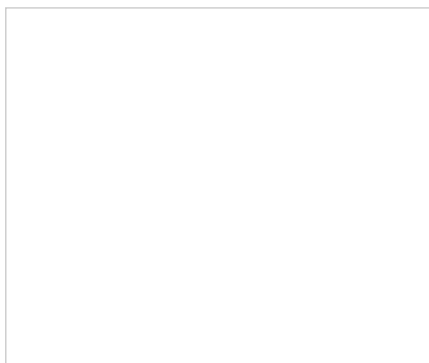


How to Make a Budget – and Stick to It

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**Your daily coffee and dining out.** Iammarino says this is an easy place to start when it comes to getting rid of unneeded expenses. "The one that always sticks out is that Starbucks [coffee](#)," he says.

Buying a large drink costing \$5.99 every weekday will cost someone more than \$1,500 per year. However, someone could buy coffee, flavored syrup and whipped cream to make their drinks at home and potentially spend only around \$1 a day. The more than \$1,100 savings could be used to pay for items that have a longer-lasting value than coffee, such as an education or retirement.



You can also optimize savings by [reducing dinners out](#), packing a lunch and eating breakfast at home prior to work or school.

**Extra insurance.** [Having insurance](#) is critical to protecting your family against a financial crisis after an illness, accident or disaster. However, it's important not to buy more coverage than you need.

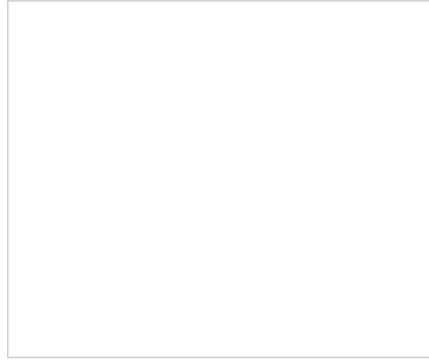
"I see a lot of people with older cars with collision insurance on them," says Steve Azoury, owner of advisory firm Azoury Financial in Troy, Michigan. In some cases, the annual cost of auto insurance could be nearly as much as the vehicle's value. In that case, it might make more sense to reduce the coverage and put the savings toward a fund to buy a new car. Meanwhile, those with an emergency fund may be able to raise deductibles across all insurance types, including homeowners insurance, to save money.

Specialty [health insurance](#) products may also be unessential. For example, if you have good health insurance and disability insurance, buying cancer insurance may be redundant. Accidental death and dismemberment coverage is another example of an insurance product that offers limited protection and may be unnecessary. [Talk to a trusted financial advisor](#) for assistance in making sure you are adequately covered before dropping any policies.

**[See: [12 Shopping Tricks to Keep You Under Budget.](#)]**

**Entertainment.** Mike Moyer, a certified financial planner and senior wealth strategist with advisory firm PNC Wealth Management in Philadelphia, doesn't suggest getting rid of your entertainment spending entirely. However, you can save a bundle if you're smart about your choices. "You don't have to insist on going to a Broadway play or seeing [a performance on] opening night," he says. Community theaters offer less expensive tickets and support local artists and businesses as well.

Attending matinees, buying tickets from trusted reseller sites like StubHub and purchasing tickets from the box office on the day of a performance are all ways to lower entertainment costs as well.



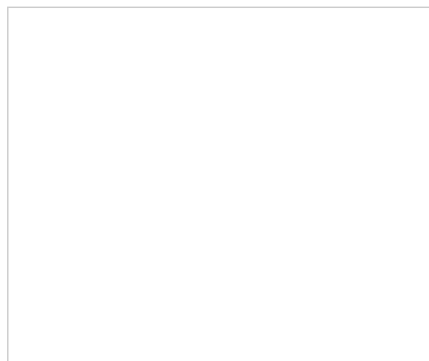
New says digital entertainment is an area ripe for downsizing in many households. It's not unusual for people to pay for several services such as Netflix, Audible, Xbox Live and cable for access to movies, audiobooks and video games. "You have to think about how many hours a week you have to consume entertainment," New says.

Depending on a family's entertainment preferences, it may make sense to reduce digital entertainment subscriptions or even shed them entirely. Many libraries offer movies, music, video games and other services for free.

**Recreational cars and boats.** Luxury boats, RVs and sports cars are fun, but they're not budget-friendly. In addition to the upfront purchase price, you need to maintain and store these vehicles that may only be used occasionally.

"I have a lot of clients who say, 'I'm buying a boat because my buddy's buying a boat,'" Azoury says. A better option may be to share a boat with a friend, and pitch in for gas and other costs.

If splitting costs with a friend isn't an option, Azoury notes [almost anything can be rented](#). Rather than buying an RV or splurging on a sports car that will be stored most of the year, renting these items can be a relatively inexpensive way to enjoy them. Rental sites like RVshare and Cruise America offers rentals starting at around \$200 a day.





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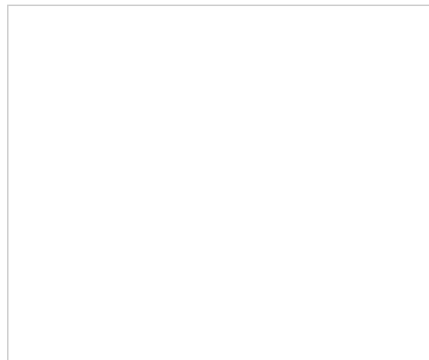
**Expensive cleaning products.** The cost of cleaning supplies may seem insignificant, but small savings can add up over time. Fortunately, there are a number of cheap alternatives to laundry, bathroom and kitchen cleaners.

"I was horrified at the idea of white vinegar on my clothes," lammarino says. Now, that he's tried it, he can attest to the fact that his clothes are softer than they were when using a commercial fabric softener. If you're interested in using a DIY cleaner, you can often substitute vinegar, baking soda and other inexpensive ingredients in lieu of more expensive cleaning products.

**Subscription services.** Since subscriptions are typically set up to auto-renew, you may continue to be charged long after you've stopped using popular services, burning a hole in your bank account.

"The classic example is the [gym membership](#)," Moyer says. While it sounds good in January, the enthusiasm for working out could wane by March. Still, charges might continue throughout the year, thanks to a contract or auto-payment feature.

However, a gym membership is hardly the only expensive monthly or fee you could do without. Subscription boxes, such as Birchbox for beauty supplies and Stitch Fix for clothing, are common [impulse purchases](#) that continue to be charged monthly over an indefinite period. Newspapers, magazines and website memberships also tend to come attached to hefty subscription fees. Take a regular inventory of all the items on their bank statement and credit card bill to weed out subscriptions that are no longer needed, New suggests.



**[See: [12 Ways to Be a More Mindful Spender.](#)]**

**Exorbitant financial commissions.** Financial advisors provide a valuable service, but Azoury says people need to weigh the price of commissions carefully. "Some have costs that are so ridiculous," Azoury says. "[People are] spending thousands but haven't seen a rep in years."

The National Association of Personal Financial Advisors offers a directory for those who want to contact several finance professionals to compare rates and services. For those who have a minimal amount of money to invest, [robo advisors](#) such as Betterment and Wealthfront come with lower fees, albeit with less personalized service. Workers, meanwhile, may be eligible for free financial guidance through their company's 401(k) administrator.

Every person will have different wants and needs to factor into his or her budget. However, reducing how much you're spending on unnecessary charges can help you afford the things and [experiences](#) that matter most to you.

## 15 Things That Impact Your Finances



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**Corrected on Aug. 20, 2018:** A previous version of this story misspelled the name of the advisory firm Securus Financial.

**Maryalene LaPonsie, Contributor**

Maryalene LaPonsie has been writing for U.S. News & World Report since 2015 and covers topics i... [READ MORE »](#)

**Tags:** money, personal budgets, personal finance, savings, financial literacy

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Age

Annual Income ⓘ

Gender ⓘ

Male  Female

Anticipating Living Into ⓘ

70s  90s

Marital Status ⓘ

## See How Claiming Earlier or Later Affects Your Benefit ⓘ

Lifetime Benefit

Monthly Benefit

|        |   |            |
|--------|---|------------|
| AGE 62 | Earliest you can claim                      | \$ - - - - |
| 67     | Your Full Retirement Age (FRA) ⓘ            | \$ - - - - |
| 70     | Age you qualify for the max monthly benefit | \$ - - - - |

*Methodology.*

Show Results

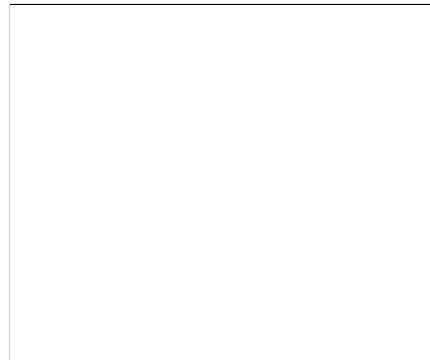
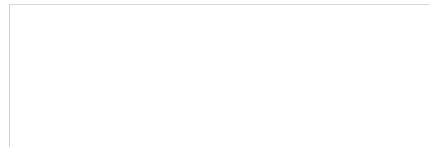


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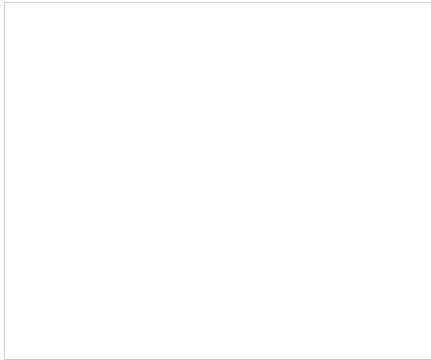
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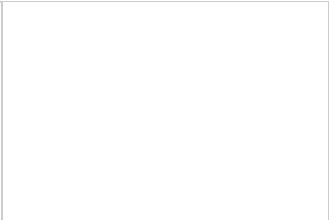
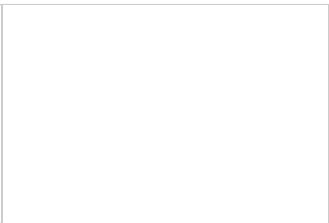
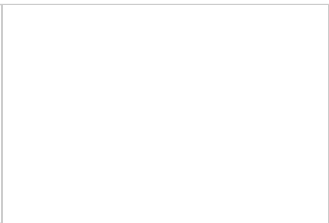


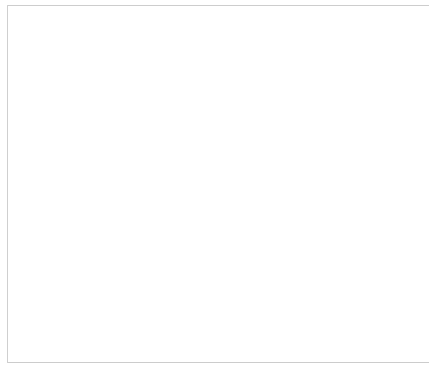
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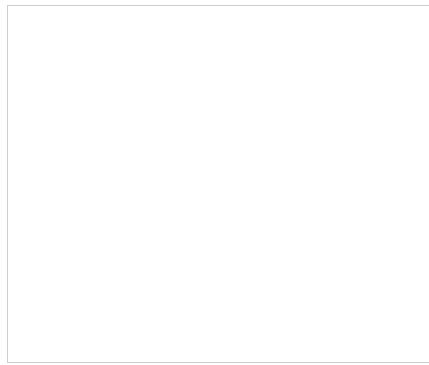
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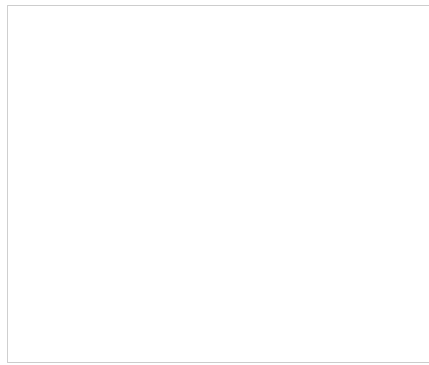
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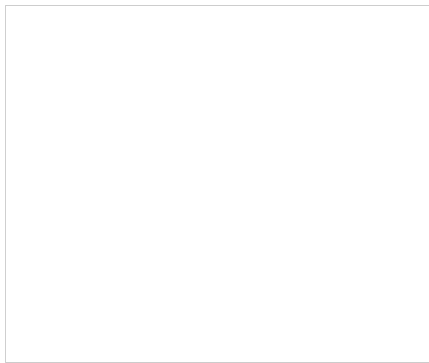
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