



Replace Services w/Products

Scaled Finance Welcome Course: Episode 10

Replace Services with Products

Part Three: Ownership

Welcome back!

Last episode, we discussed a big-ticket item: housing.

Today's discussion is on the other end of the spectrum.
We'll focus on small service expenses which really add up.

Some of our family's biggest wins have been purchasing items to replace services.

Yard Working

Yardwork

Quality tools can be purchased at steep discounts at garage, yard, and estate sales.

Our family was fortunate in that our next-door neighbors gave us many of their tools when they moved to a retirement community.

We tend to buy power tools (lawnmower, leaf blower, generator, etc.) new and do the recommended maintenance.

By the way, only use fresh premium gasoline for unleaded engines.
Stale or lower octane grades can ruin a small engine.

Doing our own yardwork has paid off. Let's say a variety of tools cost \$800:

- \$500 for a lawnmower
- \$200 for a leaf blower
- \$100 for a couple trimmers/loppers

Lawn services cost about \$100-\$200 per month.

Our investment in yard tools pays for itself yearly!

Lawn mowers/blowers may last 5-10 years. Trimmers/loppers could last decades.

Renting Your Router?

WiFi Router

In reviewing our bills, we realized we were renting our router from the cable company for \$12/month.

Good routers cost \$100. Ours pays for itself yearly.

We've already owned it several years.

You may also find that you pick up some internet range and/or speed by buying your own router. If not, return it.

Cable Cutting

Digital Antenna

We also realized we didn't need cable TV and were paying over \$200/month. Our digital antenna gets all the channels we need.

High end digital antennas cost less than \$200.

Cutting the cord pays for itself monthly in our case.

In full disclosure, we now supplement our entertainment with YouTube Premium, Amazon Prime Video, Disney+, and our growing DVD collection. We didn't initially.

DVD Buying

Movies

There's a great record shop in West Seattle called Easy Street Records & Café. We like to grab brunch and then browse their used DVD selection.

If we see something we'd like, we buy it. Their used DVDs typically cost \$2. We'll watch it at least once and then either keep it or sell it at a garage sale.

Owning a movie is especially helpful for those we watch year after year:

- Groundhog Day
- Darby O'Gill and the Little People for St. Patrick's Day
- A League of Their Own and The Sandlot for the summer
- Hocus Pocus for Halloween
- A Christmas Carol, How the Grinch Stole Christmas, Miracle on 34th Street, White Christmas, Home Alone, Love Actually... for Christmas

Instant Savings

Instant Pot

We purchased our Instant Pot several years ago for about \$100.

My wife used it 2-3 times a day when she was working and 1-2 times a day now.

We saw a nearly immediate drop in how much we dined out.

We cut back 2-3 times a week!

At \$60 per meal out for our family, the Instant Pot pays for itself weekly.

Salon Skipping

Hair Clippers

I used to get my hair cut at a salon.
It was always a hassle, and I didn't like the vibe.

My wife cut her brother's hair when they were young and is pretty good at it.
Now she cuts mine and does a great job.
She's also the first to notice when it's needed!

Several brave people I know use clippers to cut their own hair.

A good hair clipper set runs about \$60.
At \$30+ per haircut, it pays for itself every other cut.

Razors in Bulk

Razors

Years ago, my wife found a bulk deal on the razors I use.

My razor has several blades and I:

- Only shave a couple times a week
- Don't shave my entire face
- Use shaving cream
- Clean the blades thoroughly after each use

Each refill lasts me months.

It cost \$60 for 40 refills. The bulk buy has lasted years and may last more.

A monthly razor club might cost \$10 per month.
Compared with that, the bulk buy pays for itself every six months.

Splurge on What We Love

That said, we indulge on certain services.

We probably spend more than most on:

- *Concerts* – Lumen Field, The Gorge and White River Amphitheatres, Neptune Theatre, The Paramount, The ShowBox, Woodland Park Zoo, Marymoor Park, Chateau Ste. Michelle... we attend several each year.
- *Sports* – We spend hundreds of dollars each month on our daughter's sports. That includes travel – sometimes out of state.
- *Travel* – My family primarily lives in the Chicagoland, which almost always requires a flight to visit. My wife's family lives in Southeastern Idaho – which involves a drive, meals out, and hotel stays to visit.

- *Camping* – Our family used to camp more before our daughter's sports took over our calendar. We still camp in a national park or forest each year. In addition, we travel to catch solar eclipses in totality.
- *Sailing* – My daughter and I love to sail. It's a great father/daughter activity! We started during COVID and continue to develop our skills.

We're unapologetic for these expenses, as they align with our values.

Your Turn!

Action!

Recurring expenses may not seem like much, but they add up! \$120 a week is \$6,240 per year, which would require \$156,000 based on the 4% guideline.

Do you currently rent your router? If so, how much does it cost you?

What services do you truly value? Would it make sense to spend more on them?

Next Steps

Great job working through another challenging topic!

Again, none of these thoughts are recommendations. Personal finance is *personal*. It's critical that your spending aligns with your and your family's values.

As we saw in Part Two, small changes can have a big impact on both:

- net worth trends and
- time to reach financial independence.

If you know anyone who could benefit from this episode, share the course link with them: scaledfinance.com/welcome-course

The final episode will share another framework to evaluate expenses. Specially, we'll quantify purchases in terms of hours using a repeatable process.

If you'd like to work ahead, go to the course link.

See you soon!

Thank You,
Next!

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