Five Ways to Save $2,500 in 20 Minutes

If you feel like you're starting late on your savings plan, you're not alone. According to a nationwide survey half of all Americans feel that they're "starting late."

Half of those surveyed had less than $10,000 in total savings, while 3 out of 10 had less than $1,000 in savings. No wonder so many Americans are worried about their financial futures.

Give Yourself a Break

While some may blame themselves for not having started earlier, the reality is that many people start late not because of shortsightedness or laziness or irresponsibility, but because life threw them a curveball.

I hear from people all the time who start saving late because of divorce, death, illness, disability, and so on. But what's done is done. You can't go back and fix the past—it's time to move forward.

Turbo-Charge Your Finish Rich Factor

What's the fastest way to get back on track with your financial plan for the future? You've got to find your money and keep track of the small daily expenditures that tend to add up over time.

If you're starting late, though, tracking these expenses won't be enough.

Instead, you've got to turbo-charge your Finish Rich Factor by cutting back on all fixed expenses— those monthly or yearly recurring costs that are also known as your overhead.

You don't have to give things up; again, just cut them back. Call it the **Double-Finish Rich Factor**.

Finding your **Double-Finish Rich Factor** is fairly simple, since you most likely get a bill for your fixed expenses (like rent or mortgage, car payments, Internet service, phone, cable, etc).

You should also check your bank and credit card statement for any subscription-type services that are automatically debited to your account or charged to your card.

Take a close look to determine who's attached themselves to your monthly income. You may be shocked to realize how many people are on your household "payroll."

The 20-Minute Solution

Most people overestimate what they can do financially in a year—and underestimate what they can achieve financially in just a decade or two.

For now, aim to find $2,500 to cut out of your spending this year and invest it in a savings or retirement plan instead.

In 20 years, investing $2,500 a year with an 8 percent interest rate will amount to almost $125,000. In 30 years, you'll have accumulated over $300,000, and in 40 years, almost $700,000. Earn a higher interest rate—say 10 percent—and in 40 years you would have well over a million dollars.

Are you ready to transform your finances this year? Here are five ways to save over $2,500 in just 20 minutes:

Lose the premium cable television package and save $960

The average premium package—over 200 channels—can easily cost $100 a month when you include the cable box fees and all the crazy taxes and unexplainable expenses that are legally tacked onto the fixed cost. That's $1,200 a year just to watch TV!

And, of those 200 channels, you probably only watch maybe a dozen. Do you really need all the extra channels? And do you really need a cable box for every TV set in the house? If you downgrade to a more basic cable package (many of which start at $19.99 a month) and return a cable box or two you'll save about $80 per month, or a whopping $960 for the year.

Get real about your cell phone and save $240

According to a recent study by Yankee Group, on average cell phone users pay for 791 minutes per month and use only 477. Right now, an individual plan with 900 minutes through Verizon Wireless costs $60 a month—add in taxes and fees and you're looking at an $80 monthly bill. That's close to $1,000 a year in cell phone charges.

If you go with a plan that offers fewer minutes—450—it will only cost you $40 a month, or $60 with taxes and fees. Simply by opting for a lower plan, you'll easily save $20 a month, or $240 a year. And that's being conservative; chances are your cell phone bill is even higher than my estimate here, considering all the available bells and whistles.

Go wireless and save $600

It’s becoming increasingly common to cancel landline phone service altogether and use a cell phone in place of a home phone. Your landline is probably costing you at least $50 a month, so ditching it would mean a savings of $600 a year.

If you get great reception at home, are organized enough not to lose your phone, and are good about keeping it charged, this might be a great solution for you.

Exercise smart and save $240

We all know the trap: You pay your monthly or yearly gym membership dues and don’t go quite as often as you thought you would.

You could cancel your membership and save a bundle, but you don’t have to give it up completely. Many Platinum Memberships offer certain extras, including the option to work out in other locations—maybe while traveling or on vacation. If you downgrade to a more basic membership you can save at least $20 a month, or $240 a year at the very least.

Shop for car insurance and save $500

This one’s a no-brainer. If you own or lease a car, car insurance is a must-have. But don’t settle for the first rate quote you get—you’ve got to shop around. Simply by picking up the phone and getting some comparative quotes, you could wind up saving 10 to 15 percent on what you’re paying today, and possibly more.

Your grand total savings: **$2,540**.

A Little Pain, a Lot of Gain

Pretty simple, right? Well, maybe not. The truth is that it'll take some effort on your part. The key is to remember that you only need to cut back on certain items, not give them up entirely.

I challenge you to find your **Double-Finish Rich Factor**. Explore how much you're paying for your bottled-water delivery, homeowner's insurance, high-speed internet connection, car lease, DVD subscriptions—I could go on and on.

The extra money is there. You just need to find it.