500 in 5

5 families take on a 5-week financial challenge

RIVKA RESNIK

Week 5 of 5

The Leibowitzes

Number of children: 3 (ages 1–8)
Yearly salary: $152K

HOW IT WENT DOWN:

We are going away this week. We are all looking forward to going away on vacation!

WHERE WE SAVED THIS WEEK:

We are driving, not flying, to our vacation, which saves us quite a lot of money. We are staying at a hotel that we booked on points; at least one of the trips on our vacation will be free; and we are bringing all of our food. We plan to enjoy our vacation consciously. Family time is important to us, in addition to spending quality time together away from our routine. And staying at a hotel is the cherry on the top for the kids!

In addition, I shopped for school supplies in a cheaper store this year and used some items I saved from last year. I still went to the store with the kids for that hands-on experience that we all love—choosing our school supplies for the year. One briefcase from the past is in new condition, and the child who will use it is excited about it. So we saved about $50–$60 just on school supplies.

THE HARDEST PART OF THE CHALLENGE:
Being constantly aware of our spending.

A SAVINGS HACK I WANT TO SHARE:

This week we shopped at a big discount grocery store, stocking up for our home and vacation. We had to travel further, but we estimate we saved about $75.

A SPLURGE I COULDN'T RESIST:

Our family went to an amusement park on Sunday for a big summer trip. It cost $120, which we considered well spent.

What I learned about money, myself, and my family:

I learned that financial awareness helps me make different monetary decisions. For a long while we have been meaning to set up investments, but we never got around to it. But now, with our new money-conscious attitude, we set it all up with automatic transfers—for the kids, retirement, regular investments, etc. I'm glad that's taken care of.

TOTAL SAVINGS THIS WEEK:
$125
TOTAL SAVED OVER FIVE WEEKS: $525
WHAT WE PLAN TO DO WITH THE MONEY THAT WE SAVED:
I would love to put it toward a new wig or decorating our bare living room.

The Kaufmans

Number of children: 3 (ages 2–6)
Yearly salary: $65K

HOW IT WENT DOWN:

The week went well. I really got into the mindset of saving.

WHERE WE SAVED THIS WEEK:

I made one cheap supper—homemade pizza and falafel salad. I also used only the canned, fresh, and frozen veggies I had in the house for vegetable sides this week, saving about $80.

I saved another $20 by only buying one coffee this week. I'm seriously cutting my coffee-spending habit and am really proud of myself.

A SAVINGS HACK I WANT TO SHARE:

I created a complete supper by rummaging through the fridge, freezer, and pantry. I found ground meat, wraps, one cucumber, cherry tomatoes, and pickles. With everything that I found, I made meat tacos. I crumbled a thin layer of meat on each wrap, sprinkled spices on top, and grilled for 2–3 minutes on each side on a lightly oiled grilled pan. I topped the meat with the salad, and we all folded the wrap and ate it as a taco. It was nutritious, delicious, and at no cost.

Here's another tip: shop around. When I needed a few services, I didn't just look up a number and book as I've done in the past. Instead, I asked friends and family for recommendations to find the cheapest service providers I could.

A SPLURGE I COULDN'T RESIST:

No splurges this week. I wanted to finish the 500 in 5 challenge strong, and I did!

THE HARDEST PART OF THE CHALLENGE:

For me, the hardest part of the challenge was realizing how unforgivingly tangible—and limited—money is. When swiping a credit card, it's easy to forget that your funds are restricted to your earnings. If I am not being intentional, I can easily overspend without realizing it.

What I learned about money and money, myself, and my family:

I consider myself frugal and spend-conscious—a large part of the challenge was finding ways to cut back when I already have so little bandwidth. And yet, these five weeks brought me face to face with the realization that whether I'm standing at the Target self-checkout or the local coffee shop, it feels like my Chase card can foot all the bills.

Honestly, seeing those numbers and noting how they add up stressed me out. I learned to see money in a more realistic way. While that was stressful, it was also comforting to see that our numbers do add up; we are earning more than we spend. Another lesson was realizing how much each store run actually costs and how the charges pile up. If I'm not being intentional, I can easily overspend without realizing it.

A side job would help create a wider margin between our income and expenses, and my husband and I are exploring some options.

Lastly, I was reminded of how precious cost-free things are: a visit to the grandparents or an afternoon in the park builds lasting memories.

TOTAL SAVINGS THIS WEEK:
$100
TOTAL SAVED OVER FIVE WEEKS: $420
WHAT WE PLAN TO DO WITH THE MONEY THAT WE SAVED:
I plan to add most of it to a savings account. Ultimately, my real goal was to train myself to spend less every week going forward.

The Weissmans

Number of children: 7 (age 12–married)
Yearly salary: $137K

HOW IT WENT DOWN:

We started the week well, and then our freezer broke.

WHERE WE SAVED THIS WEEK:

Our freezer wasn't working, so my husband called a repair service who told us that they charge $135 to come down, which would be included in the cost of the eventual repair. Since we are trying to be more diligent about our spending, we decided to call around before committing to them. The next repairman we called simply walked us through the repair on the phone at no charge, and our freezer is now working *baruch Hashem*!

A SAVINGS HACK I WANT TO SHARE:

Call around before making a significant purchase or repair.

A SPLURGE I COULDN'T RESIST:

My daughter wasn't feeling well, so we bought her anything she was in the mood of to help her; it wasn't that significant, but the mindset was whatever would work for her.

THE HARDEST PART OF THE CHALLENGE:

The hardest part of the challenge was keeping up with "life." Hashem sends us unexpected events daily, and since we were unprepared for them, we got sidetracked and it was hard to keep up. This has taught us to be mindful of our expenses; we must be aware that when "things happen," we still have to make space for finances and be flexible but focused and persistent.

TOTAL SAVINGS THIS WEEK:
$135

TOTAL SAVED OVER FIVE WEEKS: $150

WHAT WE PLAN TO DO WITH THE MONEY THAT WE SAVED:

At this point, I am putting the money aside. I want to grow my stash and use it for a special treat someday.

What I learned about money, myself, and my family:

The challenge has raised a lot of awareness about being mindful of our spending, such as sticking to a shopping list, especially when running a "quick" errand. I am grateful for this vital lesson and intend to continue that way. Also, the freezer story highlights the need to shop around when using services, not just groceries.

Overall it was a worthwhile experience, much more than the actual savings; it opened up new possibilities for us. This challenge was a unique opportunity for myself and my family and a source of valuable learning!

Rich vs. Wealthy:
Understanding the Difference for Financial Success

RIVKA RESNIK

The fifth family in the 500 in 5 challenge, the Weingartens, earns a monthly salary of $20,000. That is an awful lot of money considering the average salary in the USA per year (of course, this varies widely across industries, jobs, age, experience, education, and geographical locations). According to the latest figures by the Bureau of Labor and Statistics, the average hourly salary is $28.01 or $58,260 per year. So are the Weingartens rich? Are they wealthy? And can these two words be used interchangeably?

When discussing someone being rich versus wealthy, it is common to think they are the same, but they represent two distinct financial situations. While these terms might seem synonymous, understanding the difference between rich and wealthy can significantly impact your economic well-being. Let's break down the disparities between these concepts to help you navigate your path to financial success.

What does it mean to be rich?

Being rich means having a substantial amount of money or a high income. It revolves around the cash you have in your bank account and how much you earn. However, being rich doesn't automatically translate to being wealthy. One key issue with being rich is that it often comes with extravagant spending habits and, in some cases, considerable debt. Even with a high salary, you could still face financial instability if your expenses exceed your income. Numerous examples of famous individuals who have gone broke due to unsustainable affluent lifestyles serve as cautionary tales.

What does it mean to be wealthy?

Being wealthy goes beyond having a lot of money. It means having enough financial resources to meet your needs and being able to afford not to work if you choose not to. Wealth is more about accumulating assets and making your money work for you. In essence, it's about having a significant net worth. In its simplest form, net worth can be defined as what is owned minus what is owed. Wealthy individuals prioritize financial stability and focus on building assets like real estate and investments rather than indulging in extravagant spending. Their financial decisions revolve around long-term wealth building rather than short-term gratification.

Key differences between rich and wealthy

- **Net worth**. While rich people may have high incomes, their net worth may be low or negative due to excessive debt. Wealthy people, on the other hand, have a larger net worth as they prioritize asset accumulation.
- **Expenses**. Rich individuals often spend lavishly, whereas wealthy individuals are frugal and invest their money wisely.
- **Investments**. Rich people might splurge on consumer goods, while wealthy people focus on turning their cash into assets to sustain their net worth.

Becoming wealthy: Steps to financial success

If your goal is to achieve wealth, there are some important steps you can take to begin building your financial foundation:

- **Track your net worth**. Keep a close eye on your net worth, as it's the ultimate measure of your wealth. Deduct your liabilities from your assets to determine your net worth, and work on reducing debt to increase it.
- **Save regularly**. Save at least 10 to 15 percent of your monthly paycheck. Automate your savings to make it easier, and prioritize paying off high-interest debt first.
- **Invest wisely**. Start investing early. Research and explore various investment options like stocks, real estate, or passive income streams.
- **Live within your means**. Be frugal with your spending and avoid unnecessary expenses. Prioritize investments and assets that will appreciate over time.
- **Think long-term**. Set financial goals for the future, such as early retirement or owning multiple properties. Make informed decisions that will benefit your long-term economic well-being.

In conclusion, the difference between being rich and wealthy lies in managing your finances and prioritizing long-term wealth building. It is possible to achieve financial independence and lasting prosperity with the right mindset and financial planning.

The Feinbergs

Number of children: 3 (ages 1–4)
Yearly salary: $180K

HOW IT WENT DOWN:

Great. We're really getting into the mindset of saving money and being aware of our expenses.

WHERE WE SAVED THIS WEEK:

We saved on food again, which can turn into something that will happen regularly without the challenge.

A SAVINGS HACK I WANT TO SHARE:

If I focus on weekly sales we can adequately plan our menu and save. A lot of wasted money is spent on food that we already have in our pantry, refrigerator, and freezer.

A SPLURGE I COULDN'T RESIST:

We splurged on some activities for the kids after camp, like a water table and water balloons.

THE HARDEST PART OF THE CHALLENGE:

Budgeting is tricky—planning for incidentals and extras is almost impossible.

What I learned about money, myself, and my family:

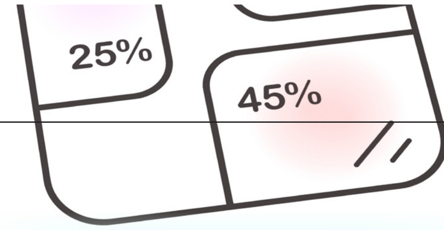
I can plan and plan and then plan some more, but unexpected expenses are unpredictable. Sometimes an expense comes up that I did not plan for, and then I have to spend money. But isn't that a synopsis of life?

TOTAL SAVINGS THIS WEEK:
$100

TOTAL SAVED OVER FIVE WEEKS: $725

WHAT WE PLAN TO DO WITH THE MONEY THAT WE SAVED:

We want to do some work on our house that will cost in the $15K range, so I guess we only have $14,275 to go.



The Weingartens

Number of children: 4 (ages 1–8)
Yearly salary: $240K

HOW IT WENT DOWN:

It was a busy week. We had little time and headspace to focus on savings.

WHERE WE SAVED THIS WEEK:

We shopped for produce and flowers in chain stores again this week, saving approximately $35.

A SAVINGS HACK I WANT TO SHARE:

Focus on savings, and you will find ways to save. If you make it a joint project, it can become exciting instead of stressful.

THE HARDEST PART OF THE CHALLENGE:

Getting started. Once we began, my wife and I worked together as a team to save.

What I learned about money, myself and my family.

If there is a will, there is a way!

TOTAL SAVINGS THIS WEEK: $35

TOTAL SAVED OVER FIVE WEEKS: $757

WHAT WE PLAN TO DO WITH THE MONEY THAT WE SAVED:

We want to put it toward our car loan. We already see ourselves paying it back much sooner than initially planned.

Dear Readers,

Navigating through our consumer-driven world, spending more than we intended is easy. The journey to saving money combines practical techniques and understanding our emotions. All of the participants in the challenge reported that they felt successful even if they did not save $100 a week. As we wrap up the 500 in 5 series, I'd like to share some valuable insights our participants have gained over the past five weeks:

- **Mindful awareness.** Take a moment to observe your spending patterns and recognize what triggers your emotions. You can make wiser choices by delving into the reasons behind your purchases.
- **Embracing patience.** Prioritizing long-term aspirations over short-lived impulses is a game-changer. This shift in perspective empowers you to say no to impulse buys and steadily build your savings.
- **Crafting a budget**. Design a comprehensive budget that clearly shows your income, expenses, and savings objectives. Sticking to this budget will guide you toward your financial goals and help you live comfortably within your means.
- **Automating savings**. Streamline your savings process by setting up automatic transfers from your checking to your savings account. It's an effortless way to grow your savings steadily.
- **Trimming unnecessary costs**. Regularly assess your expenses to identify areas where you can cut back. Enjoy homemade meals, and explore cost-effective alternatives.

I hope you've found this series enjoyable and informative. If you have any questions or need further assistance, please feel free to contact me through the *Voice*. Until the next series...

Rivka