

Cutting Costs in an Unstable Economy

Car companies and major corporations are not the only ones trying to figure out how to remain solvent in the current economy. Individuals are also struggling with their own personal budgets. Out of necessity, individuals and families are making their own financial plans. One question that cigarette smokers may be asking is, “Do I want butts or bucks?”

Smoking is an expensive habit. What an individual invests in cigarettes per year varies due to the cost of cigarettes that are available, how many cigarettes they smoke a day, and the taxes required to pay on them. The one-pack-a-day smoker who pays \$5/pack is investing \$1,825 a year in his or her smoking habit. A two-pack-a-day person invests \$3,650/year on \$5/pack cigarettes. In families where two members smoke, those costs suddenly double. What do they have to show for their investment? Butts.

The \$1,825 spent by a one-pack-a-day smoker represents money that could pay for rent, gas expenses, groceries, or other essential needs for the family. Since \$1,825 breaks down to \$152 a month, it might be used instead to pay for some monthly expenses, such as:

Gas	\$27
Rent	\$75
Groceries	\$25
Utilities	\$25
Total	\$152

The suggested amounts would not pay for all of the costs of the above expenses, but this money could supplement what you do pay and help to cover these monthly costs. For other individuals who may be struggling financially but are managing to get their bills paid, the \$152 a month might go towards a health insurance policy for a family member, savings for a child’s college education, or the purchase of other needed household items. There are a lot of choices and different family situations that will affect how one might spend this money, but for most individuals and families, \$152 a month would be a welcome amount.

Giving up cigarettes can have a monetary cost to it if the smoker is using nicotine replacement products such as the patch, prescribed drugs, or counseling. However, the long-term savings will be there for you and your family after you quit using tobacco.

According to the American Lung Association, for every smoker who quits, there is a lifetime savings of \$20,000 in tobacco-related health care costs.

If you were given an extra \$1,825 a year, how would you spend it?

If you couldn’t wait a year to accumulate the \$1,825 saved but needed it to meet monthly expenses, how would spend an extra \$152 per month? You can list some of your ideas below.



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Monthly Expense:

Cost:
