

Why Going Green in a Blue Economy Can Be a Smart Investment

While the real estate market is slow and high energy prices are challenging everything from the way we heat our homes to the way we get around, it might make sense to bring a green approach to a tough economic environment.

If you want to save money with energy-conscious moves inside and outside the house, replace your current automobile with a hybrid, or add some greener features to your existing home to make it more attractive for sale when times improve, why not check these options:

Hybrid automobiles: While 2008 models of the Toyota Prius – probably the best-known gas/electric hybrid automobile on the market – no longer provides a tax credit, there are still a number of foreign and domestic hybrid models that do. For those models and their credit amounts, go to the IRS Web site at <http://www.irs.gov/irs/article/0,,id=176409,00.html>.

Residential energy credits: A bill is currently before the U.S. Senate to renew or revise many of the tax credits offered to taxpayers in tax year 2007. Be on the lookout for any news of passage on this bill, and use the following tax year 2007 credits as a point of reference:

- *Exterior windows (regular and storm) and skylights:* Up to 10 percent of cost or \$200.
- *Exterior doors (including storm doors):* Up to 10 percent of cost up to \$500.
- *Metal roofs:* Up to 10 percent of cost up to \$500.
- *Home insulation that meets current International Energy Conservation Code (IECC) requirements:* Up to 10 percent of cost up to \$500.
- *Qualified heating and air conditioning systems as well as heat pumps:* Up to \$200.
- *Qualified gas, oil, propane furnaces or hot water boilers:* Up to \$150.
- *Qualified circulating fans:* Up to \$50.
- *Qualified gas, oil or propane water heaters as well as heat pump water heaters:* Up to \$300.
- *Qualified Solar Energy Water Heaters as well as photovoltaic systems that provide electricity for the residence:* Up to 30 percent of the cost or \$2,000.
- *Qualified fuel cells (natural gas-propelled generators):* 30 percent of the cost up to \$1,000 per kilowatt of power that can be produced.

Try compact fluorescent bulbs: While you may have to do a bit of comparison shopping to find the best bulbs for the light you need, check out compact fluorescent

bulbs (CFLs) which are coming down a bit in price (\$2-\$3 per bulb in 2007 compared to \$9-\$25 in 1999) and improving in quality. A typical incandescent bulb lasts 1,000 hours, while a CFL lasts 3,000 hours on average, according to *Consumer Reports*.

Get a programmable thermostat: During work or other hours in the day when you're away from home— get a thermostat that you can program to raise and lower the temperature of your home to cut your heating and cooling bills. (Obviously keep temperatures livable for pets while you're away.)

Adjust your water heater: A simple lowering of the thermostat on your hot water heater from 145 to 120 degrees isn't going to be very noticeable, and it could save you more than \$20 a year on a gas heater and \$50 a year on an electric one.

Change the way you drive: Driving slower can improve the mileage on any car, so stay at the speed limit. If you have to idle for a lengthy amount of time at a train crossing or in a holding area to pick up someone in the airport, turn off the engine until it's time to go. Lastly, do a better job planning the use of your car – try and work necessary errands into a commute so you won't have to drive as much after work or on weekends. And if you have teens driving alone, tell them they have to practice the same behavior if they want car privileges – do an odometer check if you have to.

Do alternate transportation one or more days a week: If you have the ability to walk, bike, carpool or take public transportation to work or for after-work transportation, make a commitment to do it at least once a week. It will not only save you money, but the exercise options may help you improve your health and possibly lower the costs of your health insurance and doctors' fees related to fitness-based health issues.

May 2008— This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by local member Bill Rodau, MS, MBA, CFP® at *Creative Financial Services*, 262-780-0870, www.imfeeonly.com . The column is provided for your general information only and you should contact this planner or other professionals for specific advice regarding your unique situation.