



7 Splurges That Could Actually Save You Money in the Long Run

Nancy Mann Jackson | March 22, 2016

No matter how committed you are to your [spending plan](#) and financial goals, everyone feels the urge to splurge occasionally. And that's okay.

In fact, experts encourage it—to a point. “When we work hard and make sacrifices, we need to be rewarded at some point, or whatever we're doing will become unsatisfying fast,” says Thomas O’Connell, a financial advisor and president of [International Financial Advisory Group, Inc.](#), in Parsippany, N.J. “Just don’t sacrifice your long-term happiness for short-term rewards.”

One way to satisfy both: Splurge smartly on items with the potential to more than cover their costs in future savings. We did the math on seven splurges to see when (and if) they'll pay off.

1. Gourmet Coffee Machine

You'd love to whip up a fancy cappuccino or espresso from the comfort of your own home (and pajamas). And though your budget allows for the \$100 to \$300-plus cost of the machine—plus the grounds or flavored pods or cups, if required—you might be wondering if this buy sits squarely in the “indulgent” or “investment” column.

Running the Numbers: Obviously, a fancy machine won't save anything if you continue purchasing coffee away from home—but if you'll actually use it, this splurge should ultimately pay off.

Let's say you shell out \$250 for a middle-of-the-line model and buy 120 pods for \$50. If you've been purchasing coffee for \$3, you'd have to use your machine 101 times before you've paid yourself back. After that, almost every extra sip is savings.

2. Cooking Classes

If a big portion of your monthly budget is going to dining out and ordering in, but you'd love to change that, you might be thinking about signing up for cooking classes to build more confidence in the kitchen and learn how to prepare foods you love.

Running the Numbers: In addition to picking up a new hobby or stress reliever, spending a few hundred upfront on this splurge *can* help you slash your expenses. You can expect to spend \$100 to \$200 for a fun, hands-on cooking class like those offered at [Home Cooking New York](#) or Atlanta's [The Cook's Warehouse](#).

While you'll still have to add on the cost of buying groceries, ingredients can be stretched across multiple meals—and will still be cheaper than purchasing meals out at \$20 or more each, based on [this "Boston Globe" reporter's experience](#). Using those numbers, it may only take a couple weeks of sporadic cooking before you're in the black.

3. Energy-Efficient Appliances

Replacing your old appliances, like refrigerators, microwaves and thermostats, can be a great way to score lower your utility bills—if you're willing to accept the inflated price tags.

(Not sure which upgrade to zero in on? Measure the exact amount of power each appliance uses with a [Kill-A-Watt](#) monitor, which costs about \$20 to \$30.)

Running the Numbers: Trading in a 1980s-era refrigerator with an energy-efficient model will save more than \$115 a year in utility costs, according to the [Natural Resources Defense Council](#). But pay around \$1,200 for that new fridge, and it'll take more than a decade to recoup that investment.

Smaller energy-efficient improvements, however, may fare better in the savings department. When used correctly, a programmable thermostat can shave [44 percent](#) off heating and cooling costs. So if your average monthly heating and cooling bill is \$200, you could potentially reduce that to \$112. Even if you spend \$250 on the smart thermostat, it will pay for itself in about three months.

4. Bicycle

If you haven't bought a new bike since middle school, it may be time to hit the road again. A shiny new bicycle may seem like a pricey splurge, but in addition to helping you get (or stay) in shape, it can also help you save on gas, cabs or public transportation if you opt to ride it to work or when running errands.

Running the Numbers: You can buy a bike for less than \$100 at Wal-Mart, but let's say you upgrade to a nicer model for around \$300. If you normally spend \$30 per

week on gas or on bus and subway rides, you'll have saved enough to pay for your new purchase within 10 weeks, give or take a few rainy days.

Even if you maintain your regular weekly commuting schedule and only bike on the weekends, this splurge can still translate to eventual savings, and serve as a fun way to burn off some steam in the meantime.

5. At-Home Fitness Equipment

If you're accustomed to forking over monthly gym dues, you've probably at least thought about whether it'd be more economical over time to buy that spin bike, complete DVD set or fitness system and work out at home, and on your own time, instead. But will this big, upfront investment save you in the long run?

Running the Numbers: If you cancel your \$75-a-month gym membership and buy relatively cheap fitness gear—like a \$400 workout system or some free weights—you're likely to start saving money after a few months. But go big with, say, a [Peloton spin bike](#) for \$2,000 (plus the mandatory \$39 monthly class subscription), and you're looking at two to three years, easily, before the investment pays off. So you want to be sure any pricey piece of equipment is one you want to use for awhile.

Preferences vary when it comes to working out, so here's the bottom line: Be realistic about how much you'll *really* use fitness equipment before plunking down the money, says Joseph Montanaro, a Certified Financial Planner at USAA.

"I myself have purchased fitness equipment that has just gathered dust and not provided a good return on investment," he says. "Look in the mirror—and at your finances—and figure out what's going to work best."

6. Online Storage

Your parents may have kept their valuables in a lock box at a bank, but most likely, many of your important possessions are your digital files—photos, work products and other documents.

Rather than crossing your fingers that your hard drive will never crash, you might want to cough up some cash and secure reliable and secure storage.

Running the Numbers: Shop around for the cloud storage service that works for you. (Many offer some space for free.) If you decide to pay \$10 per month for a terabyte of space, you may never know how much money you're saving; but if you *didn't* have that secure storage and your computer crashed just once, you could have to [pay \\$300 or more](#) (almost three years' worth of storage fees) to a hard drive recovery service.

7. Home Office Equipment

If your employer allows you to work from home, a \$200 splurge on an ergonomic office chair, desk or other home-office equipment can be well worth it, says Certified Financial Planner Robert Steen. When you invest in a comfortable, inviting place to work, you're way more likely to skip the commute, be productive—and save.

Running the Numbers: If you normally spend \$20 per day between transportation to work and going out to lunch, it may only take a couple weeks of sitting in your new chair (or working at your new desk) and eating from your own kitchen to begin seeing savings.