



Working From Home Can Save You Money. What Should You Do With It?

There are challenges to remote work, but the ability to spend less on work-related expenses is one of the rewards.

As the coronavirus pandemic disrupted office life, many workers found themselves exploring the possibilities of working from home (WFH). While some employees cannot work remotely, those who can may find they are able to work more efficiently, enjoy more flexibility with their schedules, and most importantly, find money to save.

Expenses That Go Down or Go Away When You WFH:

- 1) **Commuting**—However you get to and from work, working from home means less out-of-pocket spending. Drivers will gas up less, have fewer maintenance issues and repair bills, and pay less tolls. Train and bus riders will save money on the cost of tickets or monthly passes.
- 2) **Child Care**—It may not work for all working parents, but WFH could mean the end of day care for young children. At the very least, a part-time day care schedule could allow working parents to save a little extra money every month.
- 3) **Dry cleaning**—Maybe you'll choose to wear office attire around the house while you're working, but you certainly don't have to. Many WFH workers go with more casual clothes, which don't require expensive dry cleaning services.
- 4) **Food**—Of course, you'll eat when you work from home. (Some people find they eat more when the kitchen is a few steps from the home office!) But because most workers choose to eat lunch out and splurge on pricey coffee drinks, they find food and beverages are a major source of savings once they work from home.

Expenses That May Go Up When You WFH. You may need to outfit your home office to turn it into a more conducive workspace. A new desk, chair, lighting and shelving may be necessary for greater comfort and productivity. Spending more time at home working could also increase your utility bills for electricity, air conditioning, heating and water. Keep in mind these out-of-pocket employee expenses are no longer eligible for a tax deduction—they used to be before the 2018 tax law changes, if these costs were not reimbursed by your employer. Be sure to shop wisely for these added expenses.

What To Do with the Money You Save. Those extra dollars you find by spending less could help you boost your emergency savings fund—or start one if you're not saving already. You can also put this savings toward paying down existing debt, which can help you reduce what you're paying in interest charges every month. If your savings is adequate and your debt burden manageable, you can direct this savings toward a long-term investment account; a traditional or Roth IRA (Individual Retirement Account) are potential tax-advantaged saving and investing options.

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