

Doug Rye *says ...*



Insulation for retirement

We just had one of the hottest summers on record and we received our highest electric bill ever. However, our house was built to the Doug Rye energy standards so the bill was far less than other houses of comparable size. As is the case during most cold winters and hot summers, I am receiving many calls from families who are having difficulty paying their utility bills. My heart goes out to those who have to make decisions between buying food and medicine or paying the utility bill. I wish that I had a magic wand to help you, but, of course, I don't. All I can do is to continue to give energy tips that will help you.

I recently received a call from a fellow at a lending institution in Missouri who listens to my weekly radio program. He said that they have a program on investments that follows my show on three radio stations. He thought that they might use some of my energy ideas in their work. I asked several questions and learned that they also loaned money and had actually made a few energy efficiency mortgages (EEM). This really got my attention because I had worked on a plan like this many years ago. An EEM allows additional money to be loaned if the money is used to make the house meet certain energy standards. We both agreed that energy efficiency improvements are great investments.

I couldn't get these thoughts out of out of my mind. I'll bet that surprises you, doesn't it? Well, there is a really good program that follows our show on radio station KABZ 103.7 in Little Rock. It is called, "Planning for the Future" and is hosted by "John and Janet." They have really good ideas for planning your future. I have heard them say that one of the biggest concerns that folks have is that they will outlive

their income, even though they had planned for some retirement. Because I have been teaching that energy efficiency is a great investment for 25 years, I discussed some ideas with them.

Here is the simple version of our discussion.

Would you give me \$3,000 one time if I would give you \$50 per month for the rest of your life? I want you folks to answer that question. Some of you would say that you don't have \$3,000. Others might just say "no." The rest of you would say, "maybe, tell me more."

Okay, if you kept your \$3,000 in a savings or CD account at 2 percent interest, you would have about \$3,656 at the end of 10 years. If I gave you \$50 per month for 10 years you would have \$6,000. You would have gotten your \$3,000 back, made \$2,344, and continued to receive \$50 each and every month.

Okay, what's the catch? Many of you know where I'm going with this. I believe that there are millions of houses in this country that \$3,000 worth of energy improvements could save \$50 per month on the utility bill and the house would also be more comfortable. Let me sweeten the pot for more incentive. Suppose I increase the \$50 per month figure by the same amount that utility rates increase. The Kiplinger Letter dated June 4, 2010, states that electric rates could increase as much as 10 percent a year in the coming years. Let's just use 7 percent. If that happens in 10 years, you will have gotten your \$3,000 back, made \$4,631, and received \$92 each month thereafter.

Well, you get the point but I have one more question for you. What if you don't do anything? In 10 years it will be too late to call me. But regardless, I will still care and worry about you. See you next month when winter will be right around the corner.

Doug Rye, a licensed architect living in Saline County and the popular host of the "Home Remedies" radio show, works as a consultant for the Electric Cooperatives of Arkansas to promote energy efficiency to cooperative members statewide. To order Doug's video or ask energy efficiency-related questions, call Doug at 1-501-653-7931. More energy-efficiency tips, as well as Doug's columns, can also be found at www.ecark.org