

Turn One Dollar Into Eight With LED Bulbs

What if you were presented with an investment opportunity that offered eight dollars returned for every single dollar invested? Would you be interested? Of course you would. Who wouldn't?

According to an enterprising and inquisitive homeowner in Jackson Township, Ohio, that eight-for-one investment opportunity is very real. It's available to you. And the money that you'll spend to buy into that investment will go towards purchasing a basic commodity that every home needs: light bulbs.

Seeing the Light About LEDs

Retiree Dave Lippert enjoyed a long career in the energy industry. So he's a little savvier about energy usage than the average homeowner. And he's also probably more aware of potential opportunities for reducing energy consumption and saving money.

Recently, Lippert became intrigued about the energy-saving benefits of LED light bulbs. LEDs are more efficient than other forms of lighting. And LEDs are *much* more efficient than old-fashioned incandescent light bulbs (which will soon be unavailable as a result of a government mandate).

Lippert was particularly interested in learning how the energy-saving benefits of LEDs would translate into real-life dollars-and-cents savings for a typical homeowner. So he decided to make the Lippert household a test-bed of sorts, for testing the true money-saving potential of LEDs.

All LEDs, All the Time

In mid-2012, Lippert all-at-once replaced virtually every light bulb in his 2500-square-foot home with LED bulbs. The only exceptions were the very few bulbs for which no suitable LED replacements were available.

And he made certain not to make any other household changes that would effect electrical consumption: changing appliances, for example, or adding or removing electrical equipment.

Since the bulb switch-out, he's meticulously tracked electrical usage and costs - something that he's been doing religiously since 1973 anyway. After one year's time, here's what he found:

- Overall electrical consumption was reduced by nearly 20%.
- Electricity costs were reduced by \$408.26 for the year.
- He earned an annual rate of return of 41.87% on his investment in LED bulbs.

The Eight to One Earnings...

Based upon the rated life of the LED bulbs, along with the typical rate of usage in the Lippert household, Dave Lippert projects that those replacement LEDs will offer a service life of a little over 20 years. Multiplying the one-year energy savings by the anticipated service life of the bulbs yields a total of \$8,186 in savings (at present-day energy rates).

And dividing the \$8,186 in energy savings by the initial \$975 investment in LED bulbs yields a bit more than an eight-to-one return on investment.

An Opportunity For You?

Lippert doesn't recommend that everybody instantly replace all of their bulbs with LEDs. But as bulbs burn out and incandescent replacements become unavailable, it certainly makes sense to consider replacing them with LEDs.

You might not make exactly an eight-to-one return over the years on money invested in LEDs. But all but the dimmest of bulbs can see that the energy savings offered by LEDs could really add up through the years.