A common misconception is that heat always rises. Heat is in constant motion, moving from warmer areas to colder areas until an overall equal temperature is established. To manage the movement of heat within a home, builders and homeowners are constantly looking for areas around the home to beef-up insulation. The better insulated the home, the easier it is to manage the flow of heat and keep the living space at a comfortable temperature.

Heat loss from an uninsulated basement can account for up to one-third of the heating cost in an average home. The concrete slab under the home can act like a conductor, drawing in heat or cold from the earth around it. During the cooler times of the year, a slab without insulation is prone to water condensation which can lead to rot and mold issues within the home. During the summer, energy bills will be driven up if the slab is allowed to introduce heat from the surrounding ground into the home.

While most builders today understand the importance of insulating under the slab, insulating all around the sides of the slab is just as important.

Here's how to do it:

- Use exterior rigid foam board with an R-Value of at least R-10.

Line the board around the exterior face of the slab below ground level. Be sure that the slab is clean of debris so that there is nothing between the insulation board, and the concrete.

- The foam board should meet the exterior cladding of the home, and extend to below the bottom of the slab.

Cover the exposed insulation between the ground and the exterior cladding with a protective material like cement board, vinyl, or Stucco. The insulation needs shielding from the elements and lawn equipment like line trimmers.

By installing a full insulation barrier around the concrete slab, the builder helps the homeowner save money by creating a more energy-efficient home -- and also helps protect against water problems that can damage the foundation. For information on insulating under the concrete slab, view HGTVPro.com's Best Practice video on "Basement Floor Insulation."

For more information on the benefits of foundation insulation, visit the Department of Energy's "Energy Savers" website.