

TRACK YOUR SPENDING.

People often have a vague idea of how they spend their money but cannot say for certainty how much they spend on food, transportation, entertainment or personal care items in a month.

Here is an activity that will help you see where you are spending your money on a daily, weekly and monthly basis.

Track your spending:

- \$ Keep a money journal and write down every purchase you make.
- \$ Include the item, cost and how you paid for it (cash, debit, credit card).
- \$ Do this for every purchase over the course of a day, week or month.
- \$ At the end of the day, week or month, group similar expenses together in categories such as food, transportation, entertainment, gifts and clothing, rent & utilities, and stuff.
- \$ Add up how much you spent in each category over the week.

Now, ask yourself:

- \$ How much could be saved by "brown-bagging" it rather than buying lunch at work or school?
- \$ How much could be saved by downsizing from a large to a small coffee?
- \$ How much could be saved by brewing a coffee at home and using a travel mug?
- \$ How much could be saved by cutting down from a pack of cigarettes per day to a pack per week?
- \$ How much could be saved by buying a case of pop rather than an individual bottle each day?

This activity will help you identify areas in which you are spending too much of your money and show where, with some different choices, you can increase your savings.

Example:

Let's say you buy one large cup of coffee a day at \$1.75.

That's \$12.25 per week.

Brewing the coffee at home and using a travel mug could save you:

\$52.50 per month.

\$638.75 per year.

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