

Tool 1:

Spending tracker

Whether they have a lot of money to spend or are struggling to make ends meet, most people can't tell you how they spend their money during a month. Before deciding on changes to your spending, it is a good idea to understand how you use your money now. This takes three steps and commitment:

1. **Keep track of everything you spend money on for a week, two weeks, or one month.** A month is best, because all of your income and your bills will be included. But, keeping up with the tracking for a month may be a challenge.
2. **Analyze your spending.** See how much you spend in each category. Notice any trends and look for expenses you can eliminate or cut back on.
3. **Use this as information to make changes in your spending.**

It takes commitment, because this is a lot of work. But it's important work. Many people are actually able to find money to save for emergencies, unexpected expenses, and goals by tracking their spending. Others are able to make their budgets balance.


Get a small plastic case or envelope. Every time you spend money, get a receipt and put it into the case or envelope. If the receipt doesn't include what you purchased, take a few seconds and write it on the receipt. If you don't get a receipt, write down the amount and what you purchased.

Analyze your spending. Use the following tool, *Analyze Your Spending*, for each week of the month. Go through your receipts. Enter the total you spent and the date in the column that makes most sense to you. See how much you spend in each category and add the weekly amounts. Once you have these totals, add them together to get a total spending for the week. You can track your spending for one week, two weeks, or an entire month.

Notice trends. Circle those items that are the same every month (for example, rent, car payment, cell phone payment). These are often your needs and obligations. This will make creating your budget easier. Identify any areas you can eliminate or cut back on—these will generally be wants.

Here is a list of the categories that are used in the spending tracker.

Housing and utilities	Rent, mortgage, insurance, property taxes, electricity, gas, water, sewage, phone, television, Internet service, cell phone
Groceries	Food and beverages to be brought into the home, including baby formula and food
Household supplies and expenses	Things for your home like cleaning supplies, kitchen appliances, furniture, other equipment
Transportation	Gas, car payment, insurance payment, repairs
Health care premiums and expenses	Co-payments, medication, eye care, dental care, health care premiums
Childcare and school expenses	Child care costs, diapers, school supplies, school materials fees, field trip and other activity fees
Court-ordered obligations	Child Support, restitution, etc.
Debt payments	Credit card payments, payday loan payments, pawn loan payments, car title loan payments, and other loan payments
Tools or other job-related expenses	Tools, equipment, special clothing, job-related books, machinery, working animals or livestock, union dues
Savings	Saving for goals, emergencies, children's education, saving for retirement, holiday purchases, for back to school shopping
Pets	Food, healthcare costs, and other costs associated with caring for your pets
Personal care	Haircuts, hygiene items, dry cleaning
Eating out (meals & beverages)	Any meals or beverages purchased outside of the home
Entertainment	Going to the movies, going to concerts, sports equipment/fees, sporting events, lottery tickets, memberships, alcohol, books/CDs, subscriptions
Gifts, donations, and other	Donations to religious organizations or other charities, gifts, other expenses

 Analyze Your Spending: Week _____ for the Month of _____

On this worksheet, enter each amount from your receipts into its matching category column. Take care to make sure the entry also matches the correct date. Add each column. Add the total of all of the columns to get total spending for the week. Print and complete multiple copies of this sheet to analyze spending over the period of a month or longer.

Date of month	Housing and utilities	Groceries	Household supplies and expenses	Transportation	Health insurance premiums, expenses	Childcare & school	Court-ordered oblig.	Debt payments	Tools of the trade /Job related expenses	Savings	Pets	Personal care	Entertainment	Eating out	Gifts, donations, other	Total
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Review your spending for the week or month. Which items cannot be cut or reduced? List these in the chart below. When you make your cash flow budget, you will just fill these in.

Spending that <u>cannot be cut</u>	Reason

Are there items that can be completely eliminated? If yes, the money you spend on these items can be used on other things like saving for emergencies or goals or paying down debt.

Spending that <u>can be eliminated</u>	Steps to eliminate

Are there items that can be realistically reduced? If yes, list them below. Set new spending targets for these items and include them in your cash flow.

Spending that <u>can be reduced</u>	Strategies for reducing

Once you have tracked your spending, be sure to add it into your budget or cash flow budget. For more information on cash flow budgets, see *Module 5: Getting through the*

*month. For more information on financial services that may help you pay your bills, see **Module 8: Money services, cards, accounts, and loans: Finding what works for you.***

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