UT Extension

SP697-A

Tools for Money Management

Track Your Spending Worksheet

Instructions

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At a glance …

This money management tool provides instructions for tracking and recording your spending. Use these instructions with the "Track Your Spending Worksheet."

What this money management tool can do for you …

Would you like to find money to save? Do you ever wonder where your paycheck went? Tracking your spending can help you

- make sure that you are indeed following your saving-spending plan.
- revise your saving-spending plan so that it better fits the needs of your household.
- identify spending leaks that can drain your pocketbook.
- identify ways to reduce dependence on or pay off debt.
- identify ways to save money for future financial goals.

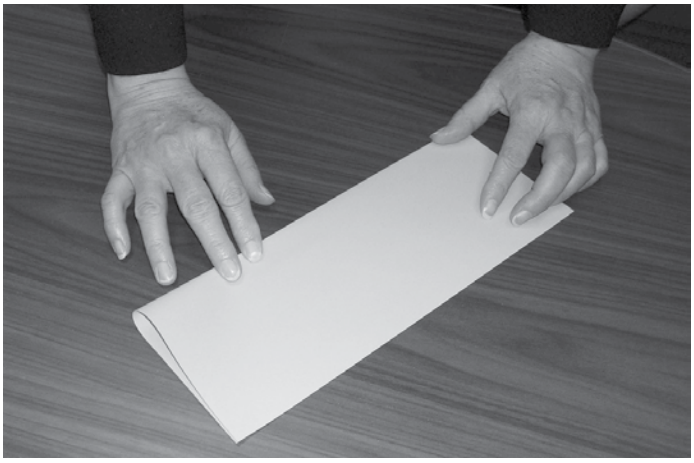
Use the worksheet (factsheet SP688-B) to record your monthly spending according to the categories in your Savings-Spending Plan (factsheet SP 613-B)

Step 1. Find an easy way to track your spending.

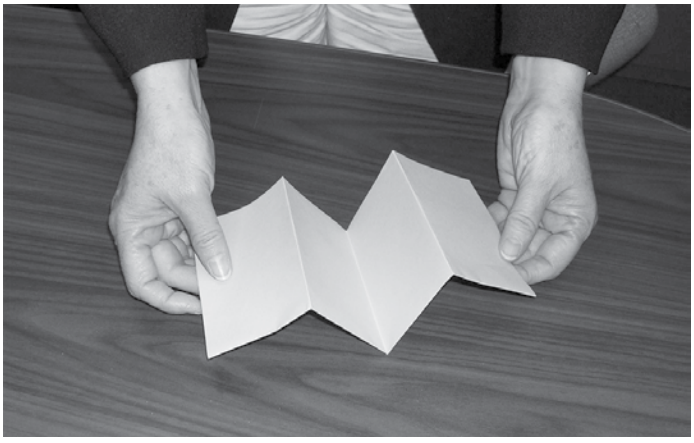
Jot-It-Down Method

A simple way to track your spending is to jot down the amount every time you or someone in your household makes a purchase. In order to do this, you need to always have a notebook or piece of paper for listing your purchases with you. You can make a simple weekly spending record from an 8 ½" X 11" piece of paper.

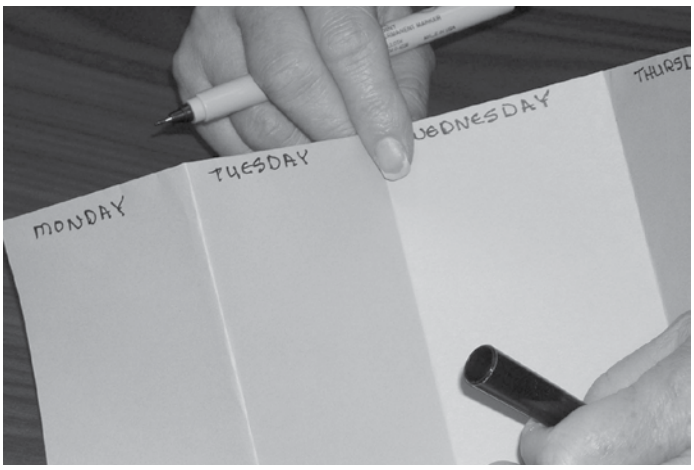
1. Fold the paper in half lengthwise.



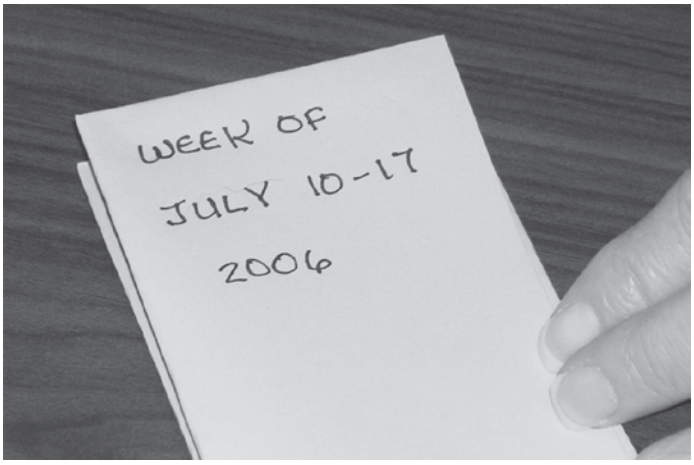
2. Then fold it into four sections using an accordion fold. You will end up with eight sections.



3. Label seven of the sections for each day of the week.



4. On the last section, record the dates for that record.

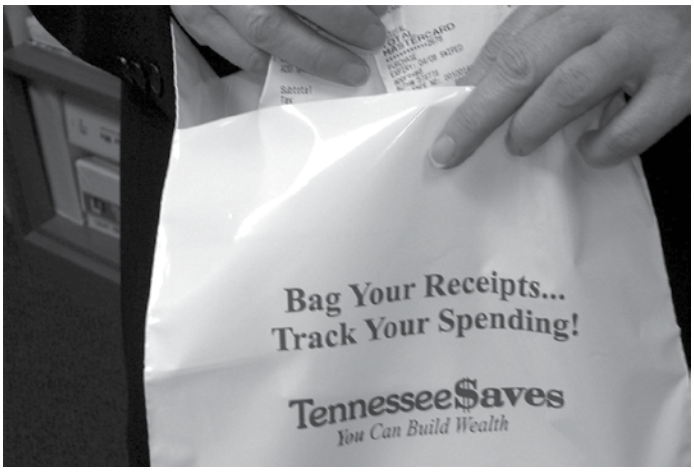


This record fits in your wallet or purse easily so you can have it with you all the time to keep track of your spending. Keep your records for as many weeks as you need to get a handle on where your money goes.

Receipt Method

Another simple way to track your spending is to keep every receipt for every purchase you make during the time period you use to determine where your money goes. If you make a purchase and are not given a receipt, write down the purchase amount on a piece of scrap paper and add it to your receipts. Even purchases at vending machines need to be added to your spending record. Small amounts for soft drinks or snacks can add up!
You will need to keep your receipts together.

Some people use an envelope to hold their receipts, but you could also use a small bag like the Tennessee Saves Receipt Bag in the picture.



Step 2. Collect spending records from everyone in the household.
If more than one person in the family is spending and keeping records, collect everyone's receipts or expenditure records at the end of each week.

Each member of the household doesn't have to use the same method for keeping up with expenses. Different people may find that different methods work better for them!

Step 3. Total and categorize your household spending.
Total the amounts into spending categories. If you have a spending plan, you will want to use the same categories to record your spending as you used in your spending plan. The "Track Your Spending Worksheet" (factsheet SP688-B)

Tip

The length of time that you will need to track your expenses depends on whether your spending patterns are about the same each month or whether they vary widely from month to month. If your spending varies, try to track several months to get an overall picture.

Tip



Some people find it hard to remember to save receipts or jot down every purchase they make, but tracking for even one month will help you get a handle on your spending and prioritize where your future money will go!

uses the same categories as the "Saving-Spending Plan Worksheet" (factsheet SP613-B). Get both these tools from your UT Extension office or online at http://utextension.tennessee.edu/publications.

Step 4. Compare your actual spending with your spending plan and make changes if needed. Use your spending record to compare what you planned to spend and what you actually spent in each spending category. You can then see just where your money went and identify leaks you need to plug by changing your spending habits. You can use what you learned about your actual spending to create a more realistic spending plan for your household. You may also be able to divert some spending to paying off debt or saving for future financial goals.



Tip

If you use credit or charge purchases, decide whether you will record them when they're purchased or when you pay your credit card bill. If you record both, you'll count them twice!

Small Savings Add Up!

Item	Cost Each Purchase	# Per Month	Cost Per Month	Cost Per Year	Amount Invested for 5 Years*	Amount Invested for 20 Years*
Soft Drinks	$.75	30	$22.50	$270	$1,530	$9,248
Pack of Cigarettes	$3.50	20	$70.00	$840	$4,760	$28,772
Lunches Out	$5.00	12	$60.00	$720	$4,080	$24,662
Extra Phone Charges	$0.10 per minute	180 minutes	$18.00	$216	$1,224	$7,398
Movies	$7.00	4 tickets	$28.00	$336	$1,904	$11,509
Snack Food	$1.00	15	$15.00	$180	$1,020	$6,165
Total			$213.50	$2,562	$14,518	$87,754

*Assumes annual earnings rate of 5 percent, compounded monthly.

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