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-- Please add local contact information.

-- Please remember to alter the quotes if you substitute your own name in the release.

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Money Matters: Track your spending to reach financial goals

[YOUR TOWN] NEILLSVILLE, Wis.—Do you run out of money before the end of each month? Does it seem like you barely know where your money goes?

Tracking your spending is a critical step in becoming an effective money manager. Keeping a record of expenditures is one of the first steps to effectively plan and control spending. While tracking spending takes time, good records can provide an accurate view of your finances, help you live within your income, and enable you to chart your financial future.

The receipt method is an easy way to keep track of what you spend. A sales slip, cash register tape or other receipts are available with most purchases. Collect receipts in a box or drawer located in a convenient place, such as where you unpack groceries. Some important aspects of an effective receipt method include:

-- Get a receipt for all expenditures. If you don't have a receipt, make your own by writing the amount spent, the item, and whom you paid on a piece of paper. Or, carry a small notepad and use it to record cash purchases.

-- Label receipts by expense categories, and sort them on a regular basis, such as weekly or monthly. Add up totals in each expense category. Record these amounts in a notebook, ledger or computer spreadsheet and compare them with planned amounts from a spending plan.

-- Receipts are both easy to sort and simple to add up. They also are important proof of purchase and can be useful at tax time.

-- To make this method work, all family members must cooperate by saving receipts, putting them in their proper place, and remembering how and where they spent money.

Another method, using a calendar with large spaces, allows you to write in income whenever you are paid, and write in bills when they are due and other expenses as you pay for them. As you pay each bill, cross it off so you know it has been paid. A calendar system may also be used to plan for larger, irregular expenses that don't occur each month, like insurance payments and property taxes.

The envelope method is another simple tracking system that can help control spending.

-- Set aside money for various expenses in separate envelopes on a regular basis, such as weekly or monthly.

-- Label envelopes with specific purposes, such as groceries, utilities, gas, etc. When you receive income, put the appropriate amount budgeted for that item in each envelope. When it is time to put gas in the car or go to the grocery store, take money from the corresponding envelope for that expense. Note the date and amount on each envelope.

-- At the end of each month or pay period, transfer any money left in envelopes into a savings or emergency fund. However, if you are tempted to take money from one envelope for another expense, this can cause you to lose control of spending.

The checkbook method involves paying most expenses with checks, then carefully recording each check, including date and where the money was spent. Balance the checkbook regularly, and always compare your checkbook records with monthly statements from your financial institution.

Other methods, including computer software programs, exist for tracking spending. All strategies, however, work most effectively when you:

-- Keep records simple and avoid unnecessary detail.

-- Appoint one person in the household to assume responsibility for recording family expenses.

-- Set a regular time schedule for record keeping.

-- Analyze expenditures regularly, checking to see if all expenditures are listed, if all financial obligations are being met, and whether you are spending within your income.

To learn more about family financial management, contact your county UW-Extension office [ADD LOCAL CONTACT INFORMATION].

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