Find Money to Help Meet Financial Goals

Looking at your spending habits can help you "find" money to put toward your financial goals. Habits like stopping on the way to work to buy a cup of coffee and a bagel, or picking up a magazine once a week at the grocery store, cost us more than we think they do. We often develop spending habits that cost us more than we realize!

The best way to really know what you spend is to track your spending for at least one month. This means writing down every penny you spend each day. Everyone in the family who spends money should be involved in this exercise. If you use your debit card or write checks for many of your major expenses and use a credit card for most of the rest, you may think you know what you spend. However, it is important that you ask yourself questions like, "What nonfood items do I buy at the grocery store and think of as food costs?" Also, ask, "Where does my cash go?" It is important that you look carefully at your credit card receipts. Only by examining each transaction carefully will you really know where your money is going.

At the end of the month, you can add up family spending by category. It may be quite a surprise to see how much money is being spent in categories, such as food, when you record money spent at the grocery store, for eating out, for workday and/or school lunches, in vending machines, and for snacks.

Once you have a good handle on current spending habits for you and your family and know where your money is going, you can start to spend it differently. Ask yourself, "Can I spend less for coffee and bagels, or can I read my magazine at the library? Can I prepare food at home more often instead of stopping to pick up fast food?" When you find the areas of spending to change, and create a realistic spending play, you and your family will have money to help you reach your goals. You can be in control of your spending, and you'll be telling your money where to go instead of asking where it went!

For more information on spending habits and creating, a spending plan visit http://www.extension.org/personal_finance and search for spending plans.

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