



Is your spending preventing you from saving?

Going out for dinner, buying a new pair of boots, a mini-splurge on a new tech gadget—it doesn't take a lot for your spending to quickly add up.

Do you really know where your money is going each month? Forty percent of Americans have a budget and keep close track of how much of their money goes toward things like food, housing or entertainment.¹ If you aren't sure where your money goes every month—even if all your expenses get covered—you may be surprised to learn what things you are actually spending on. And without a good grasp of your spending, you likely don't have a plan for savings, leaving you less prepared for an emergency and less financially confident overall.

Follow this checklist to help analyze your expenses and see where your money is really going—and learn how you might be able to find more room to boost your savings.

1. Keep track of your finances for at least two months

The first step is to figure out exactly where your money is going every month. Track your expenses for at least two months, and be sure to cover:

Fixed expenses, like rent or mortgage, student loans or your credit card bills

Variable expenses, like groceries, gas or entertainment

Planned expenses, like a trip to the doctor or a car repair

Challenge: Use an app, track through an online system, customize a spreadsheet or even put a pen to paper—whatever works best for you, as long as you're keeping track of every dollar.

Review your pay stubs, bank statements and any bills you have set to autopay, and don't forget to record cash purchases. It might feel like a chore, but you might be shocked to find out how the numbers stack up.

2. Review where you are spending - and overspending

Now that you have an overview of where your money is going each month, take a close look at what the data is telling you. **Are there obvious places to scale back?** Remember to keep your values in mind. Think about what's really important to you. Is your money going toward these values? Or are your expenses adding up on items that aren't what really matters to you?

3. Set a budget to guide your future spending

Since you've seen where your spending *is* going, you can now redirect it to where it *should* be going. Did you notice you were spending more on dinner out than you realized? If so, set a monthly dollar limit on how much you can spend at restaurants. But remember, a limit means exactly that ... so don't go over. See how your spending relates to your budget—if you splurge in one category, will you have enough to cover a fixed expense elsewhere?

4. Put what's left into savings

Successfully trimmed a bit from your budget? Well done. Now put that money directly into your savings, before you are tempted to spend it elsewhere. Watching the dollar amount that you've saved increase each month is very fulfilling. Your first goal? Building up \$1,000 in your financial confidence account.

5. Make sure you're still treating yourself!

Following a budget doesn't have to be doom and gloom—it's possible to follow a strict budget and still have fun! If you were overspending on dinner out at restaurants because you love trying the latest food trends, budget for one night per month to go out without regrets. Have a "for fun" budget category in place to treat yourself to something you'll really enjoy, and align it with your values. Set a savings goal each month, and if you meet it, use the fun category to reward yourself!

6. Using credit cards while on a budget

Credit cards are useful and often necessary, but they can also make it easy to go over your budget. Aim to use one credit card to make budget-approved purchases and pay off the balance in full each month. If you are racking up a bigger credit card bill than you can pay off each month, consider the following tips:

Don't save your credit card information with online retailers. This will add a step between you and your next impulse purchase.

Switch to using cash instead of credit cards. Challenge yourself to go two weeks using cash.

1. Track your Track your finances for two months to figure out where your money is going ... does it match your values?