

Ask yourself:



- Does your income cover all of your living expenses and savings goals?
 - Or are you running out of money by the end of the month?
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Where is my money going?!

Spending plans don't work if there's *not enough room* for flexibility in your monthly expenses and your savings goals. They also don't work if there's *too much room* - "spare change" spending - like that \$20 bill that just disappears before you know it.

- **Be realistic:** Keep track of what you *actually* spend, not what you *think* you spend. Also, be realistic about the amount you can save for your financial goals without feeling deprived during the month.
 - **Be specific:** If you go through the effort of putting your monthly expenses in categories, you'll have a much better idea of where you're spending your money. This will also help you to decide where *you want* to spend your money and where to make changes, like cutting back on "vending machine snacks" instead of trying to cut back on "food."
 - **Allow for the unexpected:** Life never fails to throw a few curve balls. Having an emergency fund or a savings fund for those expenses that are likely to happen in the future - like car repairs - will keep you from blowing your budget or having to take on debt.
 - **Get (sort of) organized:** Sometimes staying within your spending plan is a matter of paying bills on time to avoid late fees or balancing your checkbook regularly to avoid overdrafts. If you set up a regular time for paying bills and a specific place for sorting and filing paperwork, life will get a whole lot easier.
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If your monthly expenses are greater than your monthly income, there are **3 options:**

- Cut back on monthly spending
- Make more money
- Do both

Sometimes more money can come from turning a hobby into second job, getting a tax refund, reducing the amount of taxes withheld, or selling stuff you don't use anymore. And sometimes cutting spending can include signing up for services like free or reduced lunches at school.

What ideas can you look into? _____
