

Plug those spending leaks!

You get paid and you get a little running money out of the ATM to take care of those day to day expenses. Two days later, the money is gone and you don't have a clue where all the money went.

Most of us have lived this scenario. A cup of coffee here, a snack there and the money is gone. One of the first steps in getting control of your money is to figure out where you are spending it.

Lest you think this is small change and not important, it adds up. One soft drink from the machine in the office each day will cost you \$325 over the course of a year. If you have a habit of picking up a cup of coffee and a muffin each day on the way to work, that can add up to \$1400 a year. Some of these indulgences are worth the price, and some aren't. When you know what you are spending, you can make conscious decisions on whether this is how you want to spend your money.

Take a piece of paper and fold it in half lengthwise. Then fold it, accordion style four more times. Unfold it and you have 8 little boxes that are just the right size to record each day's miscellaneous expenses and one block to total the week. Refold your paper and put it in your wallet with the money. Each time you make an expenditure, write it down. Then total it at the end of the week.

Then you have the opportunity to decide if this is where you want to spend your money. Several years ago, I found that I was spending my money on lunches and coffee, so I've changed these two habits. I've found that bringing lunch from home most of the time saves me over \$1800 a year. And if some of these meals are leftovers from the fridge, I save even more. If coffee is your addiction as mine is, that is another place to sink money. Though everyone's taste for strength of coffee is different, a ballpark estimate is that one pound of coffee makes a little more than 2 gallons of brewed coffee. So if you are lucky enough to pick up the coffee on sale at \$9 a can, you are looking at about \$1.60 per gallon. The money saving answer is to brew your own at home or in the office for major savings.

Try this little experiment and get a grip on where you are spending your money.