

# Financial Wellness: Adding Up the Extras



## Tips to stop spending leaks?

**\*Plan, plan, plan.** Before you spend money, think through all of the possible outcomes. Decision-making is the process of choosing from among two or more courses of action for the best way to achieve your financial goals. When spending temptations try to lure money from your pocket, stop and think before you decide to buy. Ask yourself some questions. "Is this the best use I can make of my money right now?" "Am I buying to satisfy an impulse?" "Will buying this help me reach the goals I have set?" Before spending your money, think through the decision-making process.

### **\*Recognize the spending "triggers."**

Do you find yourself spending more money when you go shopping with a certain friend? Do you spend money when you are feeling sad? Or do you spend more when you are very happy?

Different individuals have different triggers that increase their tendencies to spend. It is very important for you to recognize these triggers and minimize their impacts on your unnecessary spending. I recommend planning your shopping. Go with a purpose in mind. Use that list! Extras you don't really need can certainly push up the total at the cash register.

### **\*Take time to make some spending rules for you and you family to follow.**

Use your budget to guide your spending. Set some spending limits. Don't spend more than you can afford. Shop with a list. The list will remind you of the things you need to buy and will serve as a signal to avoid wasteful spending when you start to purchase items that are not on the list. Remember to give yourself a pat on the back when you stick to the list.

Do you know exactly where all of your money is going?

- Eating out 1x/week at \$50 = \$2,600.00 in 1 year
- 1 pack cigarettes per day at 5.77 = \$2,106.00 in 1 year
- Soda, Energy Drinks, etc. at \$1.50/day = \$547.50 in 1 year
- 1 late fee/month at \$30 = \$360.00 in 1 year
- 1 unplanned shopping item/week at \$30 = \$1,560.00 in 1 year
- 1 Starbucks or Brew'ha drink/week at \$6.25 = \$325 in 1 year

Below, take a few minutes to write the price for each item that you buy often. Write down how often you buy the item each week. Then, multiply the price by the number of times the item was purchased to determine the total weekly cost. Multiply by 52 to determine how much this item costs you per year.

*If you do not see an item that you spend money on often, please add a line in the table below.*

Item	Price	How often purchased each week	Total cost each week	Cost in one year (x 52 weeks)
Toys				
Beverages (soda pop, coffee, energy drinks, water, alcohol)				
Candy bar/snack food (chips, cookies)				
Cosmetics, nails, hair, etc.				
Diapers/formula				
Eating out				
Late fees on bills				
Lottery tickets/gambling				
Movies/Netflix/Redbox/Hulu				
Other items				
Tattoo/piercings				
Tobacco/cigarettes/vaping/chewing				

**TOTAL SPENT:** \_\_\_\_\_

Are you surprised? Are there any extra items that you cut down on? How much could you save each year by making some different choices?

I intend to cut down on the following extra item:  
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# Financial Wellness: \$SMART Goals

What is important to you as an individual and as a family? Are you spending money on those things that are important to you – or is your money drifting away with purchases that don't reflect your goals? Are you spending on needs before wants?

Does your spending reflect your goals? Goals provide purpose and direction, guide decision-making, help set priorities, and increase the chances of you meeting your needs. Goals can be immediate – to make next month's rent; short-term – to purchase a television; medium-term – to open a Christmas Club account; or long-term – to further your education, buy a new appliance, or establish savings for emergencies. Every household has different goals, depending on what's most important to its members. It's a good idea for families to sit down together to talk about goals and to update them as needs change. When goals are achieved, set new ones.

Have you considered creating \$SMART financial goals? These are goals that are specific, measurable, attainable, relevant/realistic, and time-bound. Take time to put your financial goals in writing! Writing down your goals reinforces their importance. What spending leak did you choose to cut down on? Below, create one \$SMART goal to reflect the money you could save or spend on an item that you need to want.

**SMART Financial Goals Worksheet Example**

	Goal	Date Desired	Total Cost	Amount Needed Per Month	Is It Possible? Yes/No	How Will You Do This?
<b>Immediate</b> 1 - 4 Weeks						
<b>Short-term</b> 1 - 6 Months						
<b>Medium-term</b> 6 - 12 Months						
<b>Long-term</b> 1 - 5 Years						



-Put your \$SMART goal somewhere visible. This way you will be reminded of the goals that you are working toward and how you are going to get there.

-Be aware that several immediate goals may affect your ability to meet short-term, medium-term, and long-term goals, as there won't be enough money to go around. Dates desired for short-term, medium-term, and long-term goals may need to be extended into the future so that immediate needs are being met.

-Unexpected expenses may come up, such as medical bills, appliance repairs, or car repairs that will disrupt your plans. Do not get frustrated. I recommend having an emergency fund or savings account set aside for these situations. This type of fund can help keep you on track to accomplishing your goals!

\*Remember to review and update your goals as situations change. Once a goal is accomplished, try setting another goal. This will keep you on track and provide you with a plan for your spending.

## **HOMEWORK:**

Please track all of the money that you spend until we meet next. That means you will track EVERY PENNY that you spend from now until we meet next on \_\_\_\_\_. Be sure to spend money like you normally would. How you spend your money now will help you establish a solid budget when we meet next. \*Be knowledgeable about what you pay for on a monthly basis, such as bills, etc.