



Financial Future Challenge

WEEK TWO

Counting Costs

Welcome to week two of the Financial Future Challenge!

Included in this packet is everything you need for your second week.



Counting Costs

According to a recent survey, nearly 44% of households with an income higher than \$75,000 per year live paycheck to paycheck. Those who were surveyed stated that the cause is their excess spending on lifestyle purchases, such as dining and entertainment. When the study looked at Millennials, 70% stated that eating out was the main reason they do not save as much as they believe they should. When we track where our money is going, we gain a sense of financial control and avoid the regret that can come at the end of an expensive month.

A great starting point to reach your financial goals is to track your expenses. If you haven't done it before, it can be an eye-opening experience and help you to understand where your money is going. Technology has made tracking expenses a simple task, and websites or mobile apps such as [Mint](#) or [Goodbudget](#), can allow you to sync your bank account/credit cards to track your expenses for you. If you prefer to have a handwritten record, creating your own is a simple task.

Follow these steps:

1. Get a notebook that you can take with you to track your spending.
2. List spending categories. For example, auto, clothing, food, house, etc. Use categories that make sense for you.
3. In your notebook, take a page and divide it into three columns. The first column should be a description of the expense, the second column is the amount you spent, and the third column is the category the purchase falls under (i.e. food, entertainment, car, etc).

When you are tracking, make sure to keep a few things in mind:

- › Don't forget to include your morning latte because the little things add up. To create an accurate budget, you need to keep track of all your purchases.
- › Make sure to include items that you bought with cash.
- › Be sure to include the dollar amounts you spend on personal bills. This may not be weekly, but if it falls on the week you are tracking, be sure to track it.
- › Add the totals from each category to find an estimate of your average weekly expenses.

Once you have an idea of what you are spending your money on and how much money you need in each expense category, create a budget you can follow. Examine your expenses to see where you can cut back, and then assign a percentage of your income (or a flat dollar amount) to each category. Continue to track your weekly expenses so you can make sure you are sticking to your budget!

Example: \$5,000 Monthly Budget

Expense	Budget	% of Total Budget
Housing (Mortgage / Rent)	\$1,200	24%
Utilities (Water, Power, Garbage Collection)	\$400	8%
Food	\$700	14%
Clothing	\$200	4%
Medical / Healthcare	\$300	6%
Donations / Gifts	\$200	4%
Savings and Insurance	\$500	10%
Entertainment and Recreation	\$300	6%
Transportation (Car Payments, Gas, Service)	\$700	14%
Personal / Debt Payments / Misc.	\$500	10%
\$5,000		100%

Budget Tracking Resources

Mint

Manages your money, pays your bills, and tracks your credit score. Now that's being good with your money. Sign up today!

Goodbudget

Allows you to set a budget for each category and spend until you reach that designated limit. When the money runs out, you stop spending.



Personal Spending Plan

Create your monthly budget using the tables below. You can also use an app or Empower Retirement's more comprehensive [Budget Worksheet](#).

Income		Expenses	
Monthly Take Home Pay	\$	Housing (Mortgage / Rent)	\$
Other Monthly Income	\$	Utilities (Water, Power, Garbage Collection)	\$
Total Monthly Income:	\$	Food	\$
		Clothing	\$
		Medical / Healthcare	\$
		Donations / Gifts	\$
		Savings and Insurance	\$
		Entertainment and Recreation	\$
		Transportation (Car Payments, Gas, Service)	\$
			\$
			\$
			\$
		Personal / Debt Payments / Misc.	\$
		Other	\$
		Total Monthly Expenses:	\$
Total Income - Total Expenses =			\$



Expense Tracker

Now that you've created your monthly budget, track your expenses for five of the seven days this week, either using this template or an app.

	Amount	Description
Day 1	\$	
	\$	
	\$	
	\$	
	\$	
Day 2	\$	
	\$	
	\$	
	\$	
	\$	
Day 3	\$	
	\$	
	\$	
	\$	
	\$	
Day 4	\$	
	\$	
	\$	
	\$	
	\$	
Day 5	\$	
	\$	
	\$	
	\$	
	\$	



© GBS Population Health
Financial Future Challenge | Week Two Resource Packet