Discovering Leaks in Your Spending

► **Are you running out of money from one check to another? Do you have leaks in your spending? Find out by using this worksheet to discover where you may be unnecessarily spending. Discover extra money to save, pay off debt, or put toward a savings goal.**

Dan wants to manage his money better. To his disappointment, money seems to keep disappearing. Let's examine what could be happening to Dan's money. Each day that Dan is at work, he goes to the vending machine to purchase these items.

1 bottle of water	$2.00
1 bag of chips	$1.50
1 candy bar	$1.25
Total spent per day	**$4.75**

Normally, one would say that these items cost just a few dollars. If we calculate how much these items cost Dan over time, we will see the reality of where his missing money is going. Seeing the numbers on paper will show that Dan may be spending too much money on unnecessary items.

Total snack cost per day:
($4.75 X 1 day) = $4.75 per day

Total snack cost for 5 days:
($4.75 X 5 days) = $23.75 per week

Total snack cost for 4 weeks:
($23.75 X 4 weeks) = $95.00 per month

Total snack cost for 1 year:
($95.00 X 12 months) = $1,140.00 per year

This indicates that if Dan's job pays $10.00 an hour, he has to work 114 hours just to pay for his snacks. Think about what Dan could do with the extra cash if he changed his habit of buying snacks daily.

Monthly Income & Expenses

Monthly Expenses	
1. Mortgage Payment	$2,400.00
2. Utility Bills	$450.00
3. Educational Loan	$1,100.00
4. Broadband	$200.00
5. Cable	$125.00
6. Travel	$600.00
7. Medicine	$300.00
8. Grocery	$600.00
9. Entertainment	
10. Miscellaneous	
11. Insurance	$400.00

Now, do you think you have any missing money? Think about what you do every day. Do you have a habit of going to the vending machine at your place of employment? Do you buy a pack of cigarettes every day? These are a few of many examples for discovering missing money. To see the leaks in your spending, use this worksheet to make a list of things you spend money on regularly. Calculate how much you spend over time. Which items can you purchase less or eliminate. Keep your money from vanishing without a trace. Like Dan, you can do something about leaks in your spending and reclaim your missing money.

Worksheet 1. Discovering Leaks in Your Spending

Item	Cost per day	Cost per week (Cost per day x # of days)	Cost per month (# of weeks x 4)	Cost per year (Monthly cost x 12)
Eating out	$12.50/day	$12.50/day x 7 days= $87.50	$87.50 X 4 weeks= $350.00	$350.00 X 12 months= $4,200.00

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