

R.E.A.L. GoalSM: No Spending for 30 Days

(Realistic, Easy, Attainable, Life Goals)

Example: For the next 30 days, I will only spend money on necessary bills and purchases.

The benefits:

- Better money management
- Extra money for wanted purchases, not impulse purchases
- Identifies “wants” vs. “needs”
- Helps build up savings

Things to think about:

Create your budget

Step 1:

- Write down all of your expenses for one month to see how you’re spending your money.
- Save all your receipts and be aware of your cash, debit card, and credit card use. You can also do this by reviewing your bank/credit card statements.
- Make sure also to include how much goes into your savings account and the cash you give to others (e.g., kids, donations, etc.).

Step 2:

- Organize your spending in a way that makes sense to you.
- For example, you can include cable, electricity, water, and garbage in one category (e.g., household expenses).
- Do the same for food, clothing, or other categories that work for you.

Step 3:

- Begin to write out an actual budget (Use the Everydollar app, get a budgeting planner, or use an Excel template)
- Make separate columns for your *budget* amount, which is how much you intend to spend on a category, and your *actual* amount, which is how much you end up spending.
- Adjust the budget amount as you get your budget and actual amounts to match closely.
- If you often review your overall budget, consider where to cut spending.
- If you have money left over, you can either put it in a savings or investment account or use it to pay off other debt more quickly.

Step 4:

- Try to set aside at least 10% of your budget for savings.
- Make sure you’re saving enough to have money left over for unexpected emergencies, retirement, your children’s college tuition, etc.

Step 5:

- If your budget allows, consider a weekly allowance for that spontaneous purchase.
- Challenge yourself to save the money you do not spend from your allowance for something special.
- Once the money is gone, there will be no more spontaneous purchases for the week.

Step 6:

- Be honest about your budget.
- If you have \$200 budgeted for food but know that you spend \$400, change it until you regularly spend less.

Review your current monthly income and the money you spent last month.

Your goal is to spend less than the month before.

- Be aware of any larger expenses (e.g., six-month insurance premium, car repair, new furnace) that could have inflated the last month's expenses.
- Consider averaging the past 6 -12 months to get a target monthly expense.
- Identify your future financial goals (e.g., save money, invest more, pay off loans, etc.).

Before spending money, ask yourself, "Is this an essential purchase?" or "I would have to work X hours to pay for this. Is it worth it?" If it is not, pass! While retail therapy may sound catchy and fun, it is a temporary fix and does not address the underlying feelings or needs that trigger the desire to spend. Try figuring out what you really need long-term.

Record all purchases, the amount, and why the purchase was essential.

- Keep receipts if you are going to write things down at a set time each day.

Be mindful when grocery shopping.

- Make a list and stick to it.

At the end of 30 days, compare this month's spending to your previous month.

Consider opening a savings account if you don't already have one and deposit your extra money from your savings month.

Additional resources

- Snowball Method by David Ramsey
- App to track spending: [Mint app](#) or [Goodbudget](#)
- US News: [How to Make a Budget – and Stick to It](#)
- Sample downloadable budget templates: [Mint.com](#) or [Nerdwallet.com](#)

Explore more [Real Goals and Supplemental Resources](#)

For help translating or understanding this, please call (800) 635-9233. (TTY dial 711)

August

Monthly Budget

Category/Items	Budget	Actual	Difference	Notes
INCOME				
Regular Income	\$3,000	\$3,000		No overtime this month
Other Income	\$0	\$0		
TOTAL INCOME	\$3,000	\$3,000		
EXPENSES				
Mortgage/Rent	\$800	\$800	\$0	
Property Taxes	\$0	\$0	\$0	Included with mortgage
Electric	\$200	\$225	- \$25	
Water	\$70	\$68	+ \$2	
Sewage/Garbage	\$20	\$20	\$0	
Phone	\$70	\$78	- \$8	Downloaded an App
Cable/Internet	\$160	\$157	+ \$3	
Car	\$225	\$225	\$0	
House/Car Insurance	\$50	\$50	\$0	Car: \$300 every 6 months, house ins. is included with mortgage
Child care	\$0	\$0	\$0	N/A
Credit card(s)	\$120	\$110	- \$10	Paid minimum payment
Loans (personal, school)	\$350	\$350	\$0	
Medical/Health Insurance	\$0	\$0	\$0	Taken out of paychecks
Food	\$200	\$223	- \$23	Went out to eat for friend's <u>bday</u> .
Gas	\$80	\$78	+ \$2	
Clothes	\$50	\$80	- \$30	Needed conference outfit
Household supplies	\$20	\$15	\$5	
Entertainment	\$50	\$150	- \$100	Concert: tickets, parking and food
Other:	\$30	\$28	+ \$2	Dog food
Other:				
SAVINGS	\$300	\$300		10% of income
TOTAL EXPENSES	\$2,795	\$2957	-182	Over expenses by \$182
Total Income - Expenses	\$205	\$43		Budgeted: \$205 leftover Actual: \$43 leftover

Notes: Plan more ahead for concerts or similar events, and save up each month prior to it so it's not so much all at once. If electric continues to be over by \$20 or more, budget more in that category. Use the remainder \$43 for another payment on my credit card.