First things first: Where is my money going?!

Ask yourself:

⇒# Does your income cover all of your living expenses and savings goals?

⇒# Or are you running out of money by the end of the month?

Sometimes itôs hard just to figure out where your money is going, much less where to start if you need to cut back. Thatôs where having a monthly budget or spending plan comes in.

But spending plans donôt work if thereôs not enough room for flexibility in your monthly expenses and your savings goals. They also donôt work if thereôs *too much room* - ñspare changeò spending ï like that $20 bill that just disappears before you know it.

Here are some tips to get you started on creating your own monthly spending plan:

- # **Be realistic:** Keep track of what you *actually* spend, not what you *think* you spend. Also, be realistic about the amount you can save for your financial goals without feeling deprived during the month.
- # **Be specific:** If you go through the effort of putting your monthly expenses in categories, youôll have a much better idea of where youôre spending your money. This will also help you to decide where you want to spend your money and where to make changes, like cutting back on vending machine snacks instead of groceries if youôre trying to save money on your food bill.
- # **Allow for the unexpected:** Life never fails to throw a few curve balls. Having an emergency fund or savings for those expenses that are likely to come up in the future ï like car repairs ï will keep you from blowing your budget or having to take on debt.
- # **Get (sort of) organized:** Sometimes staying within your spending plan is a matter of paying bills on time to avoid late fees or balancing your checking account regularly to avoid overdrafts. If you set up a regular time for paying bills and a specific place for sorting and filing paperwork, life will get a whole lot easier.
- # **Prioritize:** There are a lot of ways to spend a dollar. Most financial experts would agree that top budget priorities are to keep up with housing-related bills, car payments, and basic living expenses. Ideally, your spending reflects whatôs most important to you and is based on your familyôs financial priorities and values.

The bottom line is: ***Are you happy with where your money is going?***

If you find that your credit card balance continues to grow each month, this could mean trouble. You might be relying on credit to make ends meet. Plus, minimum payments due can quickly become too big to pay