



SPENDING

# Financial Toolbox



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# 1. Spending Habits

## Spending Habits Worksheet

Name the Habit	1.	2.	3.
<b>Describe poor habits to change</b>			
<b>Deadline for changing these habits</b>			
<b>Describe possible obstacles<sup>1</sup></b>			
<b>Specify steps to overcome them</b>			
<b>Why is goal important to you<sup>2</sup></b>			

<sup>1</sup> "What is stopping me from overcoming this poor habit?" "Why am I not spending like I know I should?"

<sup>2</sup> Regularly evaluate the worth of this process to you? If it's questionable, change the goal or modify the personal value.

## Expense Tracking Form

At the end of each day, enter any amounts you actually spent for the categories on the left. Regularly check your actual spending on this sheet against your projected spending from the Budget Planner.

At the end of the month, total your expenses for each category and compare to the projected spending you entered on your Budget Planner. Adjust as needed.

Circle Month:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
Category	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th
Emergency Savings																
Housing																
Utilities																
Food																
Transportation																
Medical/Dental																
Insurance																
Child Care																
Entertainment																
Giving																
Debt Payments																
Miscellaneous																

2nd Half of Month															
Category	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st
Emergency Savings															
Housing															
Utilities															
Food															
Transportation															
Medical/Dental															
Insurance															
Child Care															
Entertainment															
Giving															
Debt Payments															
Miscellaneous															



**Do You Know  
Where YOUR  
Money Is  
Going?**

## 12 Spending Behaviors of Christmas

While Christmas and the Holiday Season are considered a time of peace and joy, a period of countless good hopes and many best wishes, an interlude of less self-centeredness and more giving, it also creates within many of us a sort of multiple consumer personality complex that can lead to discord and chaos in our finances.

A list of 12 of these spending behaviors follows (11 negative and 1 positive), including brief symptoms, justifications, and tips for dealing with them.



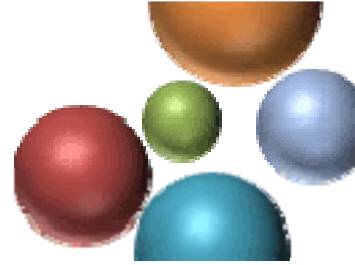
1. Convenient Spender: Goes to store on the way home. Doesn't shop around. Buys first item they come across online. No comparison shopping. Justifies expense by saying, "I don't have enough time to shop around," or "My time is more valuable than saving a few extra bucks."  
Tip: Plan your spending trip. Set up a date to shop, and ALWAYS go with and stick to a list.
2. Revenge Spender: Spends because their spouse spent money. Justifies expense by saying, "He/She bought something with OUR money, so I'M going to do it too."  
Tip: Sit down together and write out 3 financial goals you have in common. Be specific. Both of you need to commit to them. Revenge spending is a symptom of other relationship issues. Consider counseling.
3. Self-Therapy Spender: Spends to make him/herself feel better after a hard day at work or home. They think splurging on themselves will lift their spirits. Justifies expense by saying, "I've had a lousy day, so I deserve it!"  
Tip: Include "fun money" in your budget that is not designated for any particular expense. You can use this (perhaps \$5-50 each month) on those tough days.
4. Guilty or Obligated Spender: Spends money on gifts for neighbors, coworkers and acquaintances who gave them a gift last year or for their birthday. Justifies expense by saying, "They spent \$30 on a gift for me last year, so I should get them a \$30 or \$40 gift this year. Otherwise, I'll look like a cheapskate."  
Tip: Worry less about your image and more about relationships. Consider a nice, handwritten note or an affordable, thoughtful gift.
5. Entitled Spender: Like a Self-Therapy Spender, Entitled Spenders spend money because they feel they are owed a reward for hard work. They might spend on themselves, or they might spend on a child or family member. Justifies expense by saying, "I spent a lot of time and energy on this assignment and now I'm going to celebrate."  
Tip: Like a Self-Therapy Spender, include "fun money" in your budget that is not designated for any particular expense and use this fund on those tough days.
6. Impulse Spender: Spends according to what the marketers say is a "must have" at the moment. They have no spending plan and no financial priorities. Justifies expense by saying, "It's cool. Everyone has one!"  
Tip: Write down your three most important (motivating) financial goals and keep it in your purse or wallet. Pull it out and look at it when you're tempted by impulse.
7. Competitive or Compensatory Spender: Spends on "stuff" to increase their image in the eyes of others. "Keeping up with the Joneses" is their motto.

Justifies expense by saying, “This will improve my image in the eyes of So-and-so?” or “We want our home to look nice this season so we need new decorations.”

Tip: Compensatory spending is a symptom of other issues, possibly insecurity, and is often tied to either a specific age (teenagers) or situation (parents or grandparents who spend less time with their children or grandchildren as they would like). Like Guilt Spenders, consider the relationship and not the “stuff.” Thoughtfulness is more important than dollar amounts.

8. *Justified or Generous Spender*: Spends money on others without considering their own spending plan. What they think is an act of generosity can actually be trying to court another’s favor or build their own self esteem by being seen as a giving person. The difference between a Justified Spender and a truly generous giver is in the motive (which may be partially hidden even to the spender).  
Justifies expense by saying, “It feels good to give to someone else.”  
Tip: Buying gifts for others by using your credit card is actually using someone else’s money to make the purchase. Spend within your means. Such spending may also be a symptom of insecurity or uncertainty in a relationship. Consider thoughtful gifts (or even a card) that you can afford.
9. *Over Confident Spender*: Spends money they expect to earn later. Generally, they buy things on credit, thinking they’ll be able to pay for it later. However, they either forget to put it into their budget and forget about it or they lose the expected income they were counting on.  
Justifies expense by saying, “I can always pay for it later.”  
Tip: There’s a reason why personal bankruptcy filings spike each year in February and March. Too many holiday spenders think they’ll be able to pay off their splurges for holiday gifts later. Unfortunately for too many, that is not the case. Instead, create a practical and reasonable spending plan and stick to it. NEVER commit future income to expenses that have no lasting financial value.
10. *Habitual or Hobby Spender*: Spends money on habits or hobbies. They might be buying cigarettes, woodworking tools, a latté, or even scrapbooking materials.  
Justifies expense by saying, “We buy one every year,” or “I can’t do without it.”  
Tip: In some cases, such spending may be on addictions that require professional counseling. Otherwise, either find a way to minimize the impact of your hobbies on your finances or a way to turn your hobbies into an income generator.
11. *Sales Spender*: Spends money because they feel they are “saving” money at a sale. They consider sales as opportunities to save, whereas in reality, sales, regardless of their discounts, are still occasions to spend.  
Justifies expense by saying, “How could I pass it up at such great savings?!”  
Tip: Break the destructive cycle of shopping by percentages rather than actual dollars. And remember, NO ONE EVER comes home from a sale with more money in their savings than before they left. We don’t SAVE money at sales. We SPEND it.
12. *Self-Aware Spender*: Plans expenses within available income and prioritizes them within their short and long-term financial goals. They have self-discipline to create a spending plan, to write down their financial priorities, and to carry those priorities with them as reminders of what is truly important to them.  
Tip: Keep with it and make sure to share your experience and commitment with your children, nieces, nephews and others from the next generation.





## Results Sheet for "Spending by Color" Evaluation\*

Do not choose answers because you think one is right and the other is wrong. Choose the answer most applicable to your experience and personality. BE HONEST WITH YOURSELF.

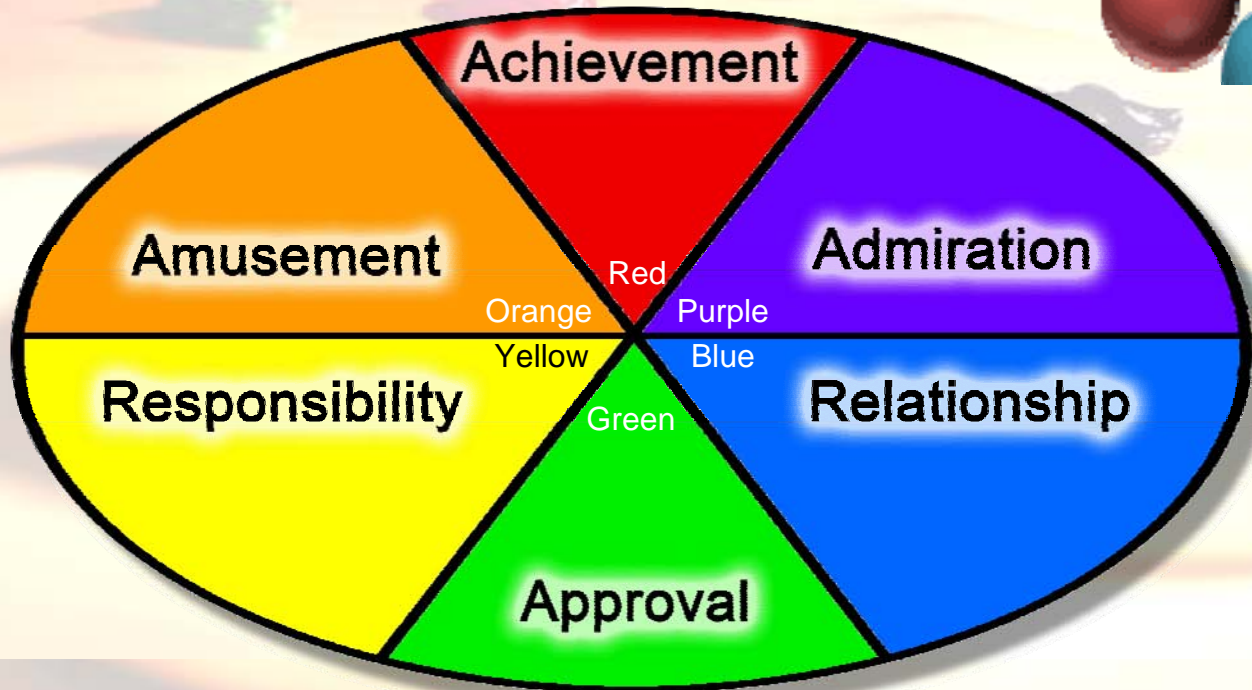


	Rating		Rating		Rating		Rating		Rating		Rating
1		2		3		4		5		6	
7		8		9		10		11		12	
13		14		15		16		17		18	
19		20		21		22		23		24	
25		26		27		28		29		30	
<b>Totals</b>	<input type="text"/>		<input type="text"/>		<input type="text"/>		<input type="text"/>		<input type="text"/>		<input type="text"/>
	R		P		B		G		Y		O

\*This evaluation is meant to provide insight into consumer behaviors. It is not a psychological or personality test.

## Spending by Color

Why We Choose to Spend In Our Own Colorful Ways



### Value-Based Spending

#### **RED**

##### *Achievement*

- Self-improvement
- Lifetime learner
- Continuing education and certification
- Hobbies and skills

#### **BLUE**

##### *Relationship*

- Focused on others
- Generous
- Does not expect to personally benefit

#### **YELLOW**

##### *Responsibility*

- Feels obligation and/or duty
- Donates to charity and/or church (does not know individual beneficiaries)

### Value-Based Spending

#### **PURPLE**

##### *Admiration*

- Image-based
- Attempts to impress but not related to social organization
- Can be present in spending on children

#### **GREEN**

##### *Approval*

- Concerned with place in a relationship or social group (family, community, etc)
- Expectation to personally benefit

#### **ORANGE**

##### *Amusement*

- Seeks physical pleasure or thrill
- Feels entitled to spend on self

## 33 Cost Saving Tips

### Grocery Shopping

1. Create and live by a Menu.
2. Schedule grocery shopping at the same time every week.
3. Shop at grocery stores instead of convenience or specialty markets.
4. Never shop when hungry, stressed, or rushed.
5. Compare price-per-ounce or per-use instead of total cost.
6. If your time is limited, prepare multiple meals on days off rather than purchasing prepared foods (Families may even make it a "togetherness" project). Put portions in a plastic bag and freeze for "instant dinners."
7. Clip coupons, but **DO NOT BUY** just because you have a coupon.
8. Shop at "Day Old Bread" stores. You may save up to 50%.

### Apparel

9. Some factory outlets and most discount clothing stores will save you significant costs over the mall store middle-man...but not always!
10. Irregular or "imperfect" clothing at outlet stores often is neither "ugly" nor out of style, but more affordable.
11. Army-Navy surplus stores have great buys and good quality, especially for camping or bad weather ware.

### Services

12. Cutting your child's hair yourself could save you \$50 to \$120 per year.
13. Shampoo your hair before going to the salon and condition it at home afterwards.
14. Don't be timid about shopping around by phone to compare prices.

### Prescriptions

15. Before leaving the doctor's office, verify the name and dosage of the prescription.
16. Shop by phone to compare.
17. You don't need to be a member at some membership stores to use their pharmacy.

### Gift Giving

18. Santa shouldn't be the only one with a Christmas gift list. Stick to a list with a set amount for each individual.
19. Make a list of every occasion throughout the year where a gift is needed and shop as the sales hit and as your budget allows.
20. Consider homemade gifts such as desserts or plants. Services like volunteering to babysit for family or friends will also be greatly appreciated.
21. Develop affordable hobbies which you like to do and develop gifts from it.
22. Plan ahead and send gifts using the most inexpensive method.
23. Split the cost of expensive gifts with a family member or friend.

### Banking

24. You may save more than \$100 a year by selecting a checking account without monthly service charges.
25. Have your paychecks directly deposited by your employer into your account.
26. If you get a Debit Card, ask about surcharges, limitations and fees.
27. Beware of using your ATM card at another bank or at public ATMs. There is likely a charge from the bank that operates the ATM and perhaps even one from your own financial institution.

### Miscellaneous

28. Wash your own car.
29. Prepare homemade meals instead of springing pizza for little leaguers after their games. Split the costs with other parents.
30. Shampoo your own carpet.
31. Remember that "the lottery is a tax on people who are bad at math." – *Unknown*. Gambling is just that: you're gambling with your money, and the casino wins the majority of the time and money.
32. How many cable premium stations, movies, and "pay events" do you have? How many do you need?
33. Bring a bag lunch to work or school instead of dining out.

## 2. Resources

### Internet Resources

- ABA Education Foundation: [www.aba.com/ABAEF](http://www.aba.com/ABAEF)
- American Savings Education Council: [www.ChooseToSave.org](http://www.ChooseToSave.org)
- Bankrate: [www.BankRate.com](http://www.BankRate.com)
- Bankruptcy Basics (US Bankruptcy Court): [www.uscourts.gov/bankruptcycourts/bankruptcybasics.html](http://www.uscourts.gov/bankruptcycourts/bankruptcybasics.html)
- Better Business Bureau (Scam & Fraud under “Alerts”): [www.bbb.org](http://www.bbb.org)
- Choice Nerd: [www.ChoiceNerd.com](http://www.ChoiceNerd.com)
- Citi Financial Education: <http://curriculum.FinancialEducation.citigroup.com>
- CNN Money: <http://money.cnn.com/pf>
- Community Action Partnership: [www.ManagingMyMoney.com](http://www.ManagingMyMoney.com)
- Consumer Jungle: [www.ConsumerJungle.org](http://www.ConsumerJungle.org)
- Credit Abuse Resistance Education (US Bankruptcy Courts): [www.careprogram.us](http://www.careprogram.us)
- Credit Bureaus
  - Equifax: [www.Equifax.com](http://www.Equifax.com)
  - Experian: [www.Experian.com](http://www.Experian.com)
  - TransUnion: [www.TransUnion.com](http://www.TransUnion.com)
- Credit Union Personal Finance Tips: [www.creditunion.coop](http://www.creditunion.coop)
- Debt Reduction Services:
  - Blog: [www.debtreductionservices.com/blog](http://www.debtreductionservices.com/blog)
  - Facebook: [www.facebook.com/DebtReductionServices](http://www.facebook.com/DebtReductionServices)
  - Twitter: [http://twitter.com/debt\\_helpers](http://twitter.com/debt_helpers)
  - YouTube: [www.youtube.com/debtredutionvideos](http://www.youtube.com/debtredutionvideos)
  - Web: [www.DebtReductionServices.org](http://www.DebtReductionServices.org)
  - Tel: (877) 688-3328
- Gamblers Anonymous: [www.gamblersanonymous.org](http://www.gamblersanonymous.org)
- Emergency Financial First Aid Kit: [www.OperationHope.org/effak](http://www.OperationHope.org/effak)
- Federal Reserve Education: [www.FederalReserveEducation.org](http://www.FederalReserveEducation.org)
- Federal Trade Commission: [www.ftc.gov/bcp/menus/consumer/credit.shtm](http://www.ftc.gov/bcp/menus/consumer/credit.shtm)
- Financial Football: [www.WhatsMyScore.org/games/ff](http://www.WhatsMyScore.org/games/ff)
- Financial Fundamentals (JP Morgan Chase): <http://bit.ly/avo9XR>
- Financial Life Planning Center (Key Bank): [www.key.com/html/savings-resources-planning.html](http://www.key.com/html/savings-resources-planning.html)
- Financial Soccer: [www.financialsoccer.com](http://www.financialsoccer.com)
- Financial Tools Center (Bank of America): <http://learn.bankofamerica.com>
- Freddie Mac: [www.freddiemac.com/corporate/buyown/english/preparing/right\\_for\\_you](http://www.freddiemac.com/corporate/buyown/english/preparing/right_for_you)
- Free Annual Credit Report: [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com)
  - Tel: (877) 322-8228
- Hands On Banking/El future en tus manos: [www.HandsOnBanking.org](http://www.HandsOnBanking.org)
- HIP Pocket Change: [www.USMint.gov/kids](http://www.USMint.gov/kids)

## Internet Resources

- HUD's Hope for Homeowners: [www.hud.gov/hopeforhomeowners](http://www.hud.gov/hopeforhomeowners)
- Investing for Students: [www.InvestingForStudents.org](http://www.InvestingForStudents.org)
- Jump\$tart Coalition: [www.JumpStart.org](http://www.JumpStart.org)
- Kiplinger: [www.kiplinger.com/money](http://www.kiplinger.com/money)
- Liz Pulliam Weston: <http://asklizweston.com>
- Military Financial Education: [www.pioneerservices.com/PioneerServices/finEducation.do](http://www.pioneerservices.com/PioneerServices/finEducation.do)
- Mind Your Money: <http://bit.ly/c1pztI>
- Money Savvy Generation: [www.msgen.com](http://www.msgen.com)
- Money Smart (FDIC): [www.fdic.gov/consumers/consumer/moneysmart](http://www.fdic.gov/consumers/consumer/moneysmart)
- Money\$mart's for Girl Scouts: [www.girlscouts.org/moneysmarts](http://www.girlscouts.org/moneysmarts)
- MoneyTrack PBS: [www.MoneyTrack.org](http://www.MoneyTrack.org)
- Motley Fool: Educate, Amuse, Enrich<sup>®</sup>: [www.fool.com](http://www.fool.com)
- MSN Money Central: <http://moneycentral.msn.com/personal-finance>
- Council for Economic Education: [www.councilforeconed.org](http://www.councilforeconed.org)
- National Endowment for Financial Education: [www.nefe.org](http://www.nefe.org)
- National Financial Education Center
  - Blog: [day2daymoney.wordpress.com](http://day2daymoney.wordpress.com)
  - Facebook: [www.facebook.com/MoneyDay2Day](http://www.facebook.com/MoneyDay2Day)
  - Twitter: [twitter.com/MoneyDay2Day](http://twitter.com/MoneyDay2Day)
  - Web: [www.NationalFinancialEducationCenter.org](http://www.NationalFinancialEducationCenter.org)
  - Tel: (877) 688-3328
- Native Financial Education Coalition: [www.nfec.info](http://www.nfec.info)
- Northwest Education Loan Association (College & Loans): [www.nela.net](http://www.nela.net)
- Oprah's Debt Diet: [www.oprah.com/subtopic/money/debt](http://www.oprah.com/subtopic/money/debt)
- Planet Orange: [www.orangekids.com](http://www.orangekids.com)
- Practical Money Skills for Life: [www.PracticalMoneySkills.com](http://www.PracticalMoneySkills.com)
- Social Security Retirement Benefits Estimator: [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator)
- The Mint: [www.TheMint.org](http://www.TheMint.org)
- US Financial Literacy and Education Commission: <http://MyMoney.gov>
- What's My Score: [www.WhatsMyScore.org](http://www.WhatsMyScore.org)
- Yahoo! Finance: <http://finance.yahoo.com/personal-finance>
- Your Financial Organizer: [www.tiaa-cref.org/pubs/html/financial\\_organizer](http://www.tiaa-cref.org/pubs/html/financial_organizer)





Weekly Classes at Each Branch Office  
and  
Webinars Available Online 24/7  
[www.NationalFinancialEducationCenter.org](http://www.NationalFinancialEducationCenter.org)



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