

Benefits & Payroll Liaison Branch Workforce Relations Division

Week 2 Challenge: Track your Spending & Saving

Now that you identified your goals, the next step towards achieving them is to track your spending and saving. Tracking may feel time-consuming, but when you take the time to do it, you gain a much clearer understanding of what you need to do to finance and achieve your goals. The following steps will help guide you through this next part of the challenge:

- **Record all of your spending this week.** Even if it seems minor—like buying a pack of gum, or putting change in a parking meter—write down every item you buy and how much it cost.
- **Categorize your list.** Organize what you spend into two groups: essential, for basic, unavoidable living costs, like food and shelter, and discretionary, or any other spending.
- **Cross off any items you can do without.** You may be surprised at opportunities you didn't notice before that will help you save money and achieve your goals.
- **Calculate how much you need to save per day to reach your goal.** For example: You want to start exercising more. To support that goal, you want a new bike. The one you want costs \$500. You decide to shave off \$2 a day in discretionary spending to save for the bike. $\$500 \text{ total} / \$2 \text{ day} = 250 \text{ days}$ (roughly eight months) to reach your \$500 goal.
- **Adjust the amount you save to reach your goal faster.** For instance, if you don't want to wait eight months to get the bike mentioned above, bump up your per-day savings.
 - Save \$3/day, and it will take you roughly six months.
 - Save \$5/day and you are down to about 3 ½ months.
 - Able to save \$10 a day? You'll only have to wait about six weeks!