What are some ways you can change your spending habits?

Step 2: Setting a realistic budget

Now that you have a clear picture of your spending habits, it is time to set a budget for a specific period of time. Usually a month or two is a great start. As you grow older, your spending habits and income will change. Nevertheless, if you master the skill of budgeting now, you can predict how you will spend (and save) your money in the future.

You have investigated your expenses, which you spend money on regularly. This is called a fixed expense. A fixed expense is one that remains the same week after week, or month after month. A variable expense is one that changes from week to week.

Estimating (or predicting) your future income and spending is the foundation of a solid budget.

Regular (Fixed) Monthly Expenses:	Planned Amount:
Food/Drinks/Lunches	$
School Supplies/Fees	$
Transportation	$
Entertainment	$
Other Expense 1	$
Other Expense 2	$
Other Expense 3	$
Other Expense 4	$
Other Expense 5	
Other Expense 6	
Total Regular Monthly Expenses:	**$**

Income:	Amount:
Monthly Allowance (Weekly x 4)	$
Monthly Pay (Net after deductions)	$
Other Income Source 1	
Other Income Source 2	
Other Income Source 3	
Total Monthly Income:	**$**

Short-Term Goals (This Month):	Cost:
Attend Favorite Band's Concert	
Purchase Music CDs	
Short-Term Goal 1	
Short-Term Goal 2	
Short-Term Goal 3	
Total Cost of Short-Term Goals:	**$**

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Long-Term Goals (Next year or more)	Total Amt.	Term: months	Monthly Amt.
Vacation after Graduation	$	24	
Holiday Gifts for Family & Friends	$	12	
Long-Term Goal 1			
Long-Term Goal 2			
Long-Term Goal 3			
Long-Term Goal 4			
Long-Term Goal 5			
Total Cost of Long-Term Goals	**$**		**Total Amount to Save Monthly: $**

Budget Overview:	
Total Monthly Income:	$
Total Regular Monthly Expenses:	($)
Total Cost of Short-Term Goals:	($)
Monthly Savings for Long-Term Goals:	($)
Extra Money Available to Save:	**$**

Total Amount to Save: (Short-Term + Long Term + Extra)	**$**

Adapted from CU Succeed http://www.cusucceed.net/resources/b_budget_page.php

If you don't like this budget, try Microsoft Online for a variety of templates http://office.microsoft.com/en-us/templates/CL102207099.aspx

Step 3: Maximizing your purchasing power by being an informed dollar stretcher

Advertising Tricks

Have you ever purchased an item, only to get home and find out that the item is not what you thought it would be? The goal of advertisers is to create a sense that you will benefit from the item being advertised…but at what cost? Purchasing items such as a refreshing soda or a fresh made pizza offer immediate satisfaction. Marketers create an illusion of urgency that places your immediate satisfaction ahead of long-term sacrifices. Arm yourself by becoming aware of how advertisers try to get you to consume more products. http://pbskids.org/dontbuyit/advertisingtricks/

Competition and Cash are best friends

There is nothing better than going shopping for an item with cash you've accumulated through saving. How do you know that you are getting the best price and value for your hard saved cash? A good rule of thumb is to check at least three different places to get an idea of how much this item will cost you. This is called price-comparison shopping. Checking Sunday sales flyers and a few internet sources will allow you to check buyer reviews. Bring newspaper flyers or print out the internet advertisement and bring it to the store with you when you are comparison-shopping. Many times sellers of an identical item will price match. Price matching means the store that has the item at a higher price will match the lower price, even though that item is sold at