
Small Change Adds Up

Spending habits may be getting in the way of building wealth.

Look at the Newmans, married with a combined annual income of \$60,000. They felt they didn't spend extravagantly, but they were nonetheless concerned that they couldn't seem to save any money. "We don't drive fancy cars or take big vacations and our kids don't have the latest shoes. But we can't seem to get ahead."

Needless to say, the Newmans didn't know where their money was going.

Each drove to work separately. When they got to work, each would buy a newspaper (.50) and coffee (.75) and a doughnut (\$1.00). In mid-afternoon break, they'd buy a candy bar or soda (.75). Without knowing the other was doing this, each was spending \$3.00 a day, for a daily total of \$6.00.

With an average of 20 working days per month, they were spending \$120 each month, or \$1,440 a year.

And don't forget what happens to the money you earn before you receive it! It gets taxed. In other words, the Newmans had to earn close to \$2,000 in order to get the \$1,440 that they frittered away on snacks. Then they say, "We can't seem to save any money."

Have you ever asked yourself, "Where does all my money go?" Like the Newmans, you probably are frittering it away. Most people spend small amounts of money without paying attention. The Newmans were spending 3% of their annual income at work and didn't know where it was going. You've got to look at your spending habits, for that is where you'll find the key to building wealth.



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Directions: Write the price for each item that you normally buy. Then multiply by 4 for weekly items to figure your possible cost each month for that item. Multiply this number by 12 to figure yearly costs.



Item	Amount Purchased	How Often Purchased	Price	Cost In One Month
Candy Bar				
Vending Machine Snack				
Cigarettes				
Donuts				
Beer				
Lottery Tickets				
VCR/Movie Rental				
Long Distance Phone Calls				
Children's Toys				
Soda/Pop				