

Guide To Frugal Living

1

Record/Track ALL Expenses



No matter how small, create a running list of all expenses for an entire month, spend normally.

2

Categorize Expenses



Assign each expense a category and if it is a want or a need.

3

Tally Wants VS Needs



Consider less expensive and/or higher quality alternatives to the items labeled Wants and cost savings for Needs.

4

Practice Mindful Spending



Be aware of spending triggers. Make a note or reach out to a friend for solidarity.

5

Repeat



Repeat steps 1 through 4 until you know your household spending habits like the back of your hand(or better!)

1

Record/Track ALL Expenses



No matter how small, create a running list of all expenses for an entire month, spend normally.

Alright, buckle up, budgeteers! We're diving into the thrilling world of expense tracking. Yes, you heard it right—every latte, every random impulse buy, and even that sneaky parking fee gets its moment in the spotlight!

Why bother, you ask? Well, think of it as your financial diary, but with fewer secrets and more numbers. Here's the lowdown on why it's worth jotting down every penny you spend:

Reality Check, Anyone?: Ever wonder where all your hard-earned cash goes? Tracking expenses is like turning on the lights in a dark room. Suddenly, those mystery expenses are laid bare, and you can see exactly where your money's been partying.

Budgeting Made Fun: Okay, maybe not "fun" in the traditional sense, but definitely less scary. When you know where your money's headed, you can wrangle it into submission with a budget that actually works for you.

Spotting Trends: Forget astrology—your spending habits are where the real patterns lie. Tracking expenses lets you play detective and uncover trends. Are you a sucker for online shopping on Fridays? Do you splurge on snacks during stressful workdays? It's all there in the numbers.

Impulse Control: Ever bought something on a whim and regretted it later? We've all been there. Tracking expenses gives you a moment to pause and ask yourself, "Do I really need this?" It's like having a tiny financial conscience on your shoulder.

Goals, Goals, Goals: Whether you're saving up for that dream vacation or trying to pay off student loans, keeping tabs on your expenses is your secret weapon. It's the roadmap that guides you to financial success, one latte at a time.

Avoiding the Debt Trap: Debt is about as fun as a root canal. By tracking expenses, you're dodging the debt bullet like a pro. You'll know when to tighten the purse strings and when it's okay to splurge (within reason, of course).

Family Finance Frenzy: For couples or families, sharing expense records isn't just about transparency—it's about survival. Okay, maybe that's a tad dramatic, but being on the same financial page keeps the peace and ensures that everyone's goals are on track.

So there you have it, folks! Tracking expenses might not be as thrilling as bungee jumping or as glamorous as a red carpet event, but it's your ticket to financial freedom.

On the next page you'll find a printable expense tracker to use for steps 1 and 2. I've found it easier to combine these steps as the purchases happen since they are fresh in your mind.

Another suggestion is to download the Empower Personal Dashboard App. This App allows you to connect all of your accounts and it tracks your spending for you. Of course, you will still need to ensure charges are correctly categorized

2

Categorize Expenses



Assign each expense a category and if it is a want or a need.

Ah, the art of categorizing expenses—it's like playing detective with your wallet! But instead of solving crimes, you're solving the mystery of where your money goes. Here's why assigning each expense a category and labeling it as a want or a need is your secret weapon in the budgeting game:

Organized Chaos: Ever looked at your bank statement and felt like you were deciphering hieroglyphics? Categorizing expenses turns that chaos into order. Whether it's groceries, rent, or that impromptu midnight pizza delivery, each expense finds its cozy little spot in your budget.

The Great Divide: Wants vs. Needs: Let's face it, distinguishing between wants and needs can be trickier than solving a Rubik's cube blindfolded. Categorizing expenses forces you to ask yourself the hard questions: "Do I really need that new pair of shoes, or is it just a want disguised as a need?" It's like separating the must-haves from the nice-to-haves with surgical precision.

Budgeting Bliss: Once you've sorted your expenses into neat little categories, budgeting becomes a breeze. You can see at a glance where your money's going and adjust your spending accordingly. Plus, knowing the difference between wants and needs helps you prioritize your spending and avoid those budget-busting impulse buys.

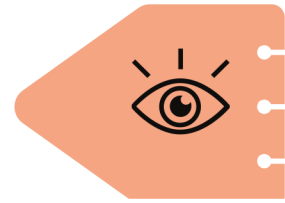
Financial Reality Check: Brace yourself, because categorizing expenses might just uncover some uncomfortable truths about your spending habits. That daily coffee run? It's not just a caffeine fix—it's a budget black hole! But hey, knowledge is power, and once you know where your money's going, you can take control of your finances like a boss.

Goal Getter: Whether you're saving up for a rainy day or planning that dream vacation to Bora Bora, categorizing expenses is your ticket to goal-getting glory. It's like having a roadmap to financial success, guiding you toward your dreams one carefully categorized expense at a time.

Flexibility and Adaptability: Life throws curveballs, and sometimes your budget needs to roll with the punches. Categorizing expenses gives you the flexibility to see where you can trim the fat when unexpected expenses pop up. It's like having a financial safety net to catch you when you fall.

3

Tally Wants VS Needs



Consider less expensive and/or higher quality alternatives to the items labeled Wants and cost savings for Needs.

Ah, the eternal battle between wants and needs—a showdown that could rival the greatest rivalries in history! But fear not, budget warriors, because there's a secret weapon in your arsenal: tallying up those wants versus needs and then seeking out less expensive or higher quality alternatives.

Here's why it's the ultimate budgeting hack:

The Great Tally: Picture this: you've meticulously categorized your expenses into wants and needs. Now it's time for the grand tally. By comparing the total cost of your wants versus your needs, you're gaining invaluable insight into your spending habits. It's like shining a spotlight on where your money's really going.

The Quest for Alternatives: Armed with your tally, it's time to embark on the quest for alternatives. For those pesky wants that are draining your wallet, seek out less expensive options without sacrificing quality or enjoyment. Maybe it's opting for generic brands instead of name brands, or hunting for sales and discounts like a savvy bargain hunter.

Quality Over Quantity: When it comes to needs, don't settle for subpar quality just to save a few bucks. Instead, seek out higher quality alternatives that may offer greater durability, efficiency, or longevity. Sure, they might come with a higher upfront cost, but think of it as an investment in the future—saving you money in the long run by reducing the need for replacements or repairs.

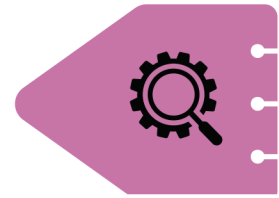
The Power of Comparison: Comparison shopping is your secret weapon in the battle against inflated prices. Whether it's groceries, household items, or big-ticket purchases like electronics or furniture, shop around and compare prices to ensure you're getting the best bang for your buck. You might be surprised at the savings waiting to be uncovered!

Negotiation Ninja: Don't be afraid to channel your inner negotiation ninja, especially when it comes to needs like rent, utilities, or insurance. Explore options for discounts, promotions, or loyalty rewards, and don't hesitate to negotiate for better deals. Remember, the worst they can say is no!

Creative Solutions: Sometimes, the best alternatives are the ones you create yourself. Whether it's DIY projects, meal prepping to save on dining out expenses, or carpooling to cut down on transportation costs, get creative and think outside the box.

4

Practice Mindful Spending



Be aware of spending triggers. Make a note or reach out to a friend for solidarity.

"Practice mindful spending" isn't just a catchy phrase—it's a lifestyle, a philosophy, and a superpower all rolled into one. And at the heart of it lies the art of being aware of spending triggers. Here's why it's your ticket to financial enlightenment:

Know Thyself: Ever find yourself mindlessly adding items to your online cart or impulse-buying things you don't really need? We've all been there. Mindful spending is about understanding what makes you whip out that credit card faster than you can say "retail therapy." Maybe it's stress, boredom, or even just a killer sale. Whatever your spending triggers may be, recognizing them is the first step toward regaining control of your finances.

Pause and Reflect: Mindful spending isn't about depriving yourself of life's little pleasures—it's about pausing and reflecting before you make a purchase. So the next time you feel that urge to splurge, hit the brakes. Take a deep breath. Ask yourself, "Is this something I really need? Or am I just succumbing to my spending triggers?" It's like hitting the reset button on your spending habits.

Note to Self: Making a note of your spending triggers is like shining a spotlight on your financial blind spots. Whether it's jotting it down in a journal, setting a reminder on your phone, or even just sticking a Post-it note on your fridge, keeping your triggers top of mind helps you stay vigilant and resist the temptation to overspend.

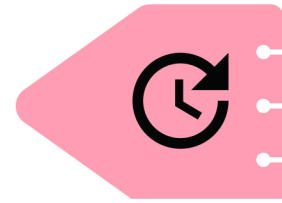
Reach Out for Support: They say strength in numbers, right? Sometimes, all it takes is a little solidarity to stay on track with your financial goals. Reach out to a friend or family member who shares your commitment to mindful spending. Share your struggles, celebrate your victories, and hold each other accountable. It's like having a financial buddy system—a support network to cheer you on when the going gets tough.

Practice Makes Perfect: Like any skill worth mastering, mindful spending takes practice. It's not about perfection—it's about progress. So be patient with yourself, embrace the occasional slip-up as a learning opportunity, and keep striving to make mindful spending a natural part of your everyday life.

By being aware of your spending triggers, making a note to yourself, and reaching out for support when needed, you're not just practicing mindful spending—you're mastering the art of financial mindfulness. So go forth, budget warriors, and spend with intention, purpose, and a dash of financial savvy!

5

Repeat



Repeat steps 1 through 4 until you know your household spending habits like the back of your hand(or better!)

The journey to financial mastery is paved with repetition and diligence! Here's how to repeat steps 1 through 4 until you know your household spending habits like a financial Jedi:

Know Thyself, Again: The quest for financial enlightenment begins with self-awareness. Continuously revisit step 1 by reflecting on your spending triggers, understanding your wants versus needs, and identifying areas where you can improve. As you gain deeper insight into your habits, you'll become more attuned to the nuances of your financial behavior.

The Great Tally, Redux: Budgeting isn't a one-and-done affair—it's a dynamic process that requires ongoing attention. Regularly tally up your expenses, categorize them into wants and needs, and track your progress over time. By revisiting step 2 on a recurring basis, you'll uncover trends, identify areas for optimization, and refine your budgeting strategy accordingly.

Seeking Alternatives, Round Two: Just when you think you've exhausted all avenues for savings, it's time to revisit step 3 with fresh eyes. Explore new ways to trim expenses, discover innovative cost-saving hacks, and challenge yourself to think outside the box. Whether it's negotiating better deals, leveraging loyalty rewards, or embracing DIY solutions, there's always room for improvement.

Pause and Reflect, Continuously: Mindful spending isn't a one-time practice—it's a way of life. Cultivate the habit of pausing and reflecting before every purchase, regardless of its size or significance. By integrating step 4 into your daily routine, you'll develop a heightened sense of financial mindfulness that permeates every aspect of your life.

Practice Makes Perfect, Ad Infinitum: Remember, mastery is a journey, not a destination. Embrace the process of continuous improvement, celebrate your successes, and learn from your mistakes. With each iteration of steps 1 through 4, you'll inch closer to financial enlightenment, knowing your household spending habits like the back of your hand—or better!

By repeating steps 1 through 4 until they're ingrained in your financial DNA, you'll achieve a level of mastery that transcends mere budgeting. You'll become the architect of your financial destiny, wielding the power of knowledge and intention to shape a future of abundance and prosperity. So keep practicing, keep iterating, and never stop striving for greatness!