

# Breaking the Paycheck-To-Paycheck Cycle

In these challenging economic times, it's important to evaluate your finances! There are many things that you can do on your own to help get your finances in order — here are some ideas.

## Where is your money going?

Tips for creating your own monthly spending plan:

**Be realistic.** Keep track of what you actually spend, not what you think you spend.

**Be specific.** If you put your monthly expenses in categories, you'll have a better idea of where you're spending your money.

**Allow for the unexpected (and the expected).** Having an emergency fund or savings for unexpected expenses can help keep you from having to take on debt. If you can afford it, try to save up for larger expenses that only come once or twice a year.

- Pay yourself first by including your savings goals in your budget. Decide on a realistic amount to put into savings every month, even if it is only a few dollars, and transfer it to your savings account before paying for the rest of your expenses.
- Make saving automatic. Sign up to have your paycheck direct deposited and ask your employer to split your wages between your checking and savings accounts.
- Put all your loose change in a large container. When it is full, take it to your bank or credit union and have it deposited into your savings account.
- Plan ahead for annual expenses like car registration or gift giving around the holidays. Divide the amount you want to spend by how long you have to save and put a little away each month. It won't hurt so much when you have to pay the bill later!

**Get organized.** If you set up a regular time for paying bills and a specific place for sorting paperwork, life will get a lot easier.

**Prioritize your spending.** Top budget priorities are to keep up with housing-related bills, transportation costs, and basic living expenses.

- Needs & Wants: Needs are survival expenses and should always come first. Wants are purchases that can be delayed until you have enough money saved up.

### Other available resources:

- Tax credits: Do you qualify for the Earned Income Tax Credit, Child Tax Credit, or others?
- Selling things: Do you have things that could find a good second home through yard sales or online sales?
- Public benefits: Call 2-1-1 to see if you might qualify for food, energy, or healthcare assistance.
- PowerPay: Use the debt reduction tool to pay down your debt in the fastest way possible. [extension.usu.edu/powerpay](http://extension.usu.edu/powerpay)

**Take the first step challenge:** Which of these can you start today?:

- Decide which spending tracking method to use.
- Have a family meeting. Walk through the “Do, Buy, Cut, Share” tips and make a plan.
- Help your “future self” by setting and saving for a goal.
- Talk to a trusted friend or family member.

## SMART MONEY TIPS

**Track Spending:** There are many different ways you can track where your money is going...

- Notebook: When you spend money, write it down right away.
- Cell phone: Use your phone's notes app to track spending or download one of the many free budgeting apps.
- Receipts: Put your receipts in an envelope or folder and add them up at the end of the month.
- Calendar: If you're used to looking at a calendar every day write down what you spend and what bills were paid.
- Financial Institution: Many banks and credit unions offer online bill paying, tracking, text messages, and other features.

**4 Ways to Save Money on (almost) anything:** Can you figure out a way to...

- Do it less often?
- Buy it cheaper?
- Cut it out altogether?
- Share the cost with someone else?

### Become a Saver!

**Start Small. THINK BIG.**

Wisconsin Saves believes that anyone can build wealth by developing positive spending and saving habits. Sign up and join the many people who have committed to a savings goal — tuition, a home, retirement, debt repayment and more. If you can save a quarter, you can save and you can start now.

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