



# Q & A

## About Managing Money

Financial adviser and author Judy Lawrence answers the questions she has been asked most frequently during her many years of experience helping people manage money. Many of these topics will relate to your situation.

### Q Do I need to track my spending?

Yes, initially, if you want to get a better sense of where your money is trickling away. Many people have found that by tracking their money over a few months' time, they actually start to spend less and save more, because they started seeing what they're doing. When you see it written down you become much more aware of the bigger picture—using your tactile and visual senses is very significant. You can create your own spending book, a little notebook that you can carry around. The big expenses—the once-a-month fixed costs, are pretty easy. The hard part comes next. These are the daily expenses—the “latte” factor (accessories, little gifts, CDs, books, etc.). That's the part that adds up.

### Q How does a budget (or spending plan) help me?

It gives you an outline to work with so you know what you can and cannot handle in a period of time. If you can't handle it, it means that you can't afford it, and you will therefore use a credit card and get into more debt. Rather than seeing this tool as the beginning of deprivation, see it as about choice—what you choose to spend your money on. A part of this is taking care of yourself. A budget will help you answer the question: What do you need to take care of yourself?