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Here are some painless ways to tame spending

A Kiplinger's Report

To fulfill that New Year's resolution to spend less and save more, keep your eye on the prize — whether it be a ski trip, a new home or retirement at age 55.

Here are some simple steps to help you tame your spending and boost your savings:

■ **Set a goal.** If you want to buy a new house, for instance, post a picture of your dream home on the refrigerator or tuck one into your checkbook. With a goal firmly in mind, you'll have less sense of deprivation, says Eric Gelb, author of "Personal Budget Planner" (Career Advancement Center, \$19.95 plus \$3 shipping and handling; 800-295-1325).

Break down the cost of a new car or dream vacation into a monthly sum you can set aside over a specific period of time.

■ **Face up to your spending.** Budgeting requires anticipating rather than reacting, says Judy Lawrence, author of "The Budget Kit," a month-by-month money planner (Dearborn Financial Publishing, \$15.95 plus \$4 shipping and handling; 800-283-4380).

Whether you use money-management software, a

store-bought ledger or a sheet of notebook paper, record all your expenses, including fixed monthly costs, irregular expenses such as quarterly insurance payments, gifts or emergency car repairs, and discretionary spending. (To get started, review old checking and credit-card statements to estimate what you spend on each category in a year, then divide by 12.)

Track the daily drain on your cash by jotting down expenditures in a small notebook.

■ **Pinpoint what you can do without.** Maybe it's the \$5 you spend every day on gourmet-coffee breaks. Maybe it's too many ATM or overdraft fees, or high credit-card interest charges that you could save by switching to a cheaper card and paying off the balance over time.

Maybe overly generous holiday and birthday gifts are your downfall.

Identifying and reining in costly habits will give you more cash to allocate to your goals.

■ **Make saving effortless.** If reminders of the long-term rewards aren't motivation enough, put your thrift on autopilot. Have your vacation money automatically transferred to a savings account, or your retirement savings automatically invested in mutual funds.

And to keep discretionary spending under control, limit your ATM withdrawals to one a week and withdraw only what you've budgeted to spend.

