

## DO SWEAT THE SMALL STUFF

by Judy Lawrence, MS Ed.

Budget Coach and Author of The Budget Kit 6th Edition

How many times have you said "It's only \$5 dollars?" or "This candy bar is only fifty cents" or "The bus only costs \$1.50" or "This CD is on sale for only \$9.95". It's those "it's onlys" that are often putting you over the edge each month. Plus, this language sets you up for minimizing and ignoring the whole financial exchange and staying oblivious to your spending.

Now if you zoom this out on a bigger scale, the real issue is lack of paying attention to spending in general. Most people are so entrenched with the routines of their lifestyles that they never stop to even notice how much they are spending on any daily or monthly basis.

How the Money Trickles Away on the Small Stuff

### Bottled Water

Even ignoring the issue of whether a particular brand is actually safer or purer than another, let's look at how the cost of bottled water totals up. Do you have the bottles delivered? One woman added up \$845 a year for the delivery of their water.

Instead of buying the small bottles buy the case for a discount and being sure to carry them with you everywhere, do you buy those convenient bottles of water at the gym, theatres, department stores, or airport? Are you paying \$1.50 - \$3.00 for each when you could be spending .25 each buying it by the case? At \$3.00 a day, you could be looking at over \$1,000 a year.

**Isn't there a piece of furniture, or clothing, a weekend trip or some paid off debt that would give you more satisfaction than buying overpriced bottled water?**

### Lattes

Everybody knows the latte story already. But just as a reminder. If you add up that one daily \$4 latte for just the work week, think of how you are drinking away \$20 a week and \$1040 a year. Now seriously, if you are a latte fan, are you really having only 5 lattes a week total? Any ideas what you would do with an extra \$1000 a year?

### More Small Stuff

Notice the ATM charges, or the fees charged by some stores when you use your debit card or get cash back on your debit card purchase. Be especially careful if you are using your credit card for cash advances. Those high instant finance charges will drown you. That's some of the most expensive cash there is. If you are willing to pay 19.98% for a quick \$200 of cash, perhaps there is a friend or family member you would rather give that kind of

interest money to so you can circulate the money in closer circles. Think “win-win” Of course this can be a very touchy topic, so if you go this route, be SURE to pay off that \$200, with interest immediately on the agreed upon due date.

### **Too Busy for Bills**

Is your life so busy you get behind in paying your bills? That late payment fee of \$25 - \$35 or bad check fee of \$30, adds up mighty fast. Could you be saving hundreds of dollars of fees each month if you would take the time to slow down your life or find a way to be more organized? When you make the time to balance your account and know if you have enough money to pay bills, and then pay your bills on time, (whether through an online bill pay service or automatic withdrawal), you could literally save hundreds of dollars a month – potentially thousands a year.

### **Dialing for Dollars**

The whole topic of phone bills, programs, information charges etc., is enough to make anyone crazy. Just when you think you finally start to understand your bill, the service changes. The point still is, pay attention. Know what you have and what you don't have.

Are you using your expensive cell phone minutes for the convenience when you could actually wait until you're home and use your unlimited minutes? Do you even know what your program offers? If your lifestyle is one where the phone is like an extra appendage for you, be sure to find a program that has unlimited minutes or some program that fits your needs.

Always ask. Call the companies and ask about the latest promotion and what program would work better for you, and save you money, based on your calling history.

Explore the phone cards. It may take an extra trip to one of the stores carrying the special 2.9 cents a minute phone cards, but well worth the trip. Do the math.

What will it cost you if you go over your minutes and start paying .25 to .65 a minute on your cell phone or .10 to .15 on your land phone?

**Can you think of other ways you would rather spend the extra \$100s a year you would save by paying attention to your plan and phone use?**

### **Memberships**

Review your credit card statement and look for spending areas you can cut back. Are you paying a \$9 – 15 every month for some credit card or cell phone protection insurance plan, travel service, entertainment program, online diet membership, or other online subscription service you don't need or no longer use?

Are you paying a membership for a gym or other organization you are no longer participating in? Cancel these programs and redirect that \$15 - \$60 to your savings or a mutual fund dollar cost averaging program. Have something to show for your money 3 years from now.

### Use Cash

It doesn't take long to see how fast the money goes when you shift over to straight cash. One woman decided to start using cash and stop using the credit card after seeing how high her credit card balances were getting. After one day of this new routine she was shocked to see how fast \$100 of cash slipped through her fingers! By the time she stopped at the convenience store at the end of the day to pick up 2 cartons of milk, she was ready to have a fit when she saw the total bill. With that one change, she brought the whole money issue into a much clearer focus.

Along these same lines, people have found some revealing insights when they started actually tracking their spending on a daily basis -many used my Budget

Kit workbook. They were happily shocked as they used the workbook and realized they were starting to save more and spent less once they started getting in touch with their spending.

### Your Turn

Now take a look at your own spending on the small stuff. How many areas can you identify where you see small amounts of cash just trickling away? How much could you save each month by just making a few behavioral changes with your spending and your thinking?

**How would your life be different if you did sweat the small stuff and actually had extra cash in your budget?**

\*\*\*\*\*

**Judy Lawrence** is a Budget Coach and Counselor in Albuquerque, New Mexico – after moving back from the Silicon Valley area in '09. Her best-selling book, [\*The Budget Kit: Common Cents Money Management 6th Edition\*](#) (Jan 2011, Kaplan Publishing), has sold over 425,000 copies. If you would like a 30-minute free phone consultation, sign up for the free e-course, or just find out more about her services, workshops and books, you can reach her at [www.moneytracker.com](http://www.moneytracker.com) or [judy@moneytracker.com](mailto:judy@moneytracker.com) or 505-554-2638 or 408-529-6474.

All of Judy's articles are available for re-publishing. Please include the above information about the author with your posting.