

Get a handle on your spending, Episode 84



Power of Moms A Gathering Place for Deliberate Mothers

With Jordan Page and April Perry

Jordan is the author of the blog “Fun, Cheap, or Free”. She has come by financial and frugal know-how through difficult experiences, personal research and applying what she learned to help her family get out of debt.

If you are stressed at being responsible for spending the money (i.e. clothes for the kids, groceries, birthdays, etc), know that you are not alone. Jordan says that she still cries sometimes when talking about money. So take heart, and know that you can make a system for your family that will help.

Start small: Don't overwhelm yourself. Just take a step at a time.

1. Figure out how much income you have. How much is actually deposited into your bank account after taxes, withholdings, etc? When does the money fall, and into which account?
2. Live on 70% of your income; 20% goes into savings; and 10% goes into tithing, donations, debt, or retirement, college, etc.
3. Use small numbers, and simplify categories. Do not budget by the month, or by each individual expense. Divide into three categories: bills, week to week spending, (groceries and other consumable goods, piano lessons), and unexpected expenses (tickets, windshield repair, medical expenses).

The week to week spending is the category that has the most potential to save you money. The other categories such as emergencies/unforeseen events and the bills are static and standard.

There are two categories within the week to week spending category:

1. Groceries: Rule of thumb is \$100 per person in your family per month. Break that number down for each week. If your family has four people in it, then you will have \$400 per month, so \$100 per week.

Pick a day to do your grocery shopping, and stick with it. Look at deals2meals.com for the most competitively priced sale items.

2. Other category: Going out to lunch, getting haircut, new shirt, etc.

As long as you balance the entire week-to-week spending budget, you can borrow from each category as needed.

Sacrifice is giving up something good for something great. Delayed gratification is what living well is all about. Anything you want, anything you need is possible when you use delayed gratification to your advantage. You can do it, and you can be better off because of it.

Transcribed by Jessee Stewart