

How I Found Money For My Retirement Plan

Where does all your money go? Whether you see yourself as the frugal, penny-pinching type or a free-spending mall-aholic, you may not be sure of the answer to that question. In particular, you may wonder what happens to the cash you carry around in your wallet.

You'll know the answer to that question one week from today. All you have to do is keep a spending diary for the next seven days. If you're like most people, you'll find that you're frittering away surprisingly large amounts on impulse items such as fancy coffee, bargains at clothing or department stores, tobacco, snacks or lottery tickets.

Take a look at the excerpts below from the weekly spending diary for cash items purchased by our example, a single mother. The non-essential items are highlighted and totaled at the bottom. They add up to a sizable sum.

When you do your own spending diary, look over your purchases and ask yourself: Are these items worth sacrificing my future for? Chances are, you'll find that question easy to answer.

SUNDAY

Item: Dinner for three at Burger Bill's

Cost: **\$14.32**

Comment: It's Sunday.

Items: Two new toothbrushes

Cost: \$6.34

Comment: Save on dental bills?

Item: Popsicles for two at Dairy Dan's

Cost: **\$2.50**

Comment: I didn't realize they're cheaper by the dozen at the supermarket.

Item: Hardcover mystery

Cost: **\$24.95**

Comment: Guess I should have waited for the paperback.

Item: Groceries

Cost: **\$89.72**

Comment: Remember to bring coupons next time.

MONDAY

Item: Double cappuccino

Cost: **\$2.25**

Comment: It's Monday.

Item: Sandwich and coffee at Cafe Carl

Cost: **\$7.95**

Comment: Forgot to bring lunch.

Item: Gas for car

Cost: **\$14.20**

Comment: Saved money by paying with cash!

TUESDAY

Item: Lottery tickets

Cost: **\$5**

Comment: Lost again...sigh.

Item: Dog snacks
Cost: **\$16**
Comment: Hope Puddles enjoys them.

WEDNESDAY

Item: New bike helmet for Michael
Cost: **\$48**
Comment: I'll keep the old one for Molly.

Item: Diapers for Molly
Cost: **\$15.99**
Comment: No cutting back on these yet.

THURSDAY

Item: Celebrity World September issue
Cost: **\$3.95**
Comment: Cover story on Leonardo looked interesting but wasn't.

Item: Lunch at Joseph's Bistro
Cost: **\$23**
Comment: Love their specials!

FRIDAY

Item: Nail polish
Cost: **\$4.55**
Comment: Couldn't resist that new shade!

SATURDAY

Item: Three video rentals
Cost: **\$6**
Comment: At least one of them should be worth watching.

SUNDAY

Item: Rake
Cost: **\$12.99**
Comment: Here come the leaves again.

Total cost of all purchases: **\$297.71**
Total cost of non-essential purchases: **\$110.47**

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