



VALUING PEOPLE. VALUING MONEY.  
MANAGING IN TOUGH TIMES INITIATIVE

# FAMILY FINANCIAL MANAGEMENT

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## THIS MONTH'S TOPIC: Maximizing Your Dollar

At the end of the month, do you wonder what happened to your money? Are you regularly tempted to spend when you have a few extra dollars in your pocket? Spending and savings habits are directly linked to financial stability. Understanding how and where you spend money is important for financial success, especially in tough economic times.



You can take several steps to maximize your money each month. First, get organized. Keep all of your bills and important financial papers in one place. Track your spending for one month by writing down your expenses, including big expenses such as rent and car payments as well as the little everyday expenses, such as vending machine purchases. Remember that small expenses add up over time, so it is important to include them in your spending log. Next, identify the total amount of money you earn for the month. This includes take-home pay, any investment income, or additional income from a second job.

Develop a plan on paper for how you will spend your money each month. Remember that for big expenses, such as car insurance, vacations, or holidays, you may want to set aside a little each month so you are prepared when these events occur.

After two to three months, evaluate the spending plan. Are you overspending in any certain category? If so, readjust it to more accurately reflect your spending habits or identify alternatives to help reduce expenses. Keep working at your spending plan until you find a combination that works for the needs of your family.



## *Understanding how and where you spend money is important for financial success*

To save more, consider changing your shopping habits. It is important to realize that stores arrange goods and merchandise to tempt you to make a purchase. Stores use sales signs, displays, and salespeople to draw your attention to specific items. Next time you are at the store, try to identify the stimulus that encourages you to buy, and then try to avoid these areas in the future. Other tips for breaking bad spending habits include: limiting the number of trips you make to the store. The less often you shop, the less likely you will be tempted to make unnecessary purchases. Make certain you have a plan prior to entering the store. Know why you are there and stick to your shopping list. If you see an item that you would really like to purchase, identify alternatives first.

Written by: Jennifer Hunter, Ph.D., University of Kentucky Extension Specialist Family Resource Management

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### **Maximizing Your Food Dollar**

In 2010, the single largest component of municipal solid waste sent to landfills was not paper or plastic, aluminum cans or glass, but food waste. Food waste includes uneaten food and food preparation scraps. It's estimated that a family of four throws out nearly \$600 worth of food each year. Food waste is not only hard on our pocket books, but also our environment. Think about your last meal. What resources did it take to get that food to your fork? Consider the soil, nutrients, water, and energy required to produce, process, and transport that bite. Chew on these practical tips to reduce your food waste and maximize your food dollars.

- Plan ahead. Make a list of ingredients and items needed for your menu and purchase only those items. Before purchasing items at the store, shop in your pantry. Use up items you already have.
- Buy only what you need. Purchasing items in bulk can reduce packaging. However, make sure you can properly store and use those items by the expiration date.
- Save and eat your leftovers. Leftovers can be used for lunches the next day or to create new dishes and meals. Designate one weeknight as leftover night – set leftovers out in buffet style for the family to enjoy.
- Compost food scraps, including fruit and vegetable scraps, coffee grounds, tea bags, and egg shells.

Written by: Ashley Osborne, Extension Associate for Environmental Issues

#### Resources:

Food Loss and the American Household. Retrieved from [http://www.redorbit.com/news/science/456435/food\\_loss\\_and\\_the\\_american\\_household/](http://www.redorbit.com/news/science/456435/food_loss_and_the_american_household/) on August 29, 2012.

Household Food Waste – US EPA. Retrieved from <http://www.epa.gov/osw/conserve/materials/organics/food/fd-house.htm> on August 20, 2012.

Wasted Food. Retrieved from <http://www.wastedfood.com/> on August 20, 2012.

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