

## How to Identify Money Wasters

There was an article by financial management author and speaker on the top 10 things Americans waste money on. His list included: student loans, Ziosk tablets at restaurants, gym memberships, daily coffee trips, car payments, car leasing, car wash upgrades, name brand household paper products, time shares and shipping charges.

Assessing your own personal money wasters over the year can be a worthwhile activity to help you see where your money is going and how to cut costs. Here are some steps adapted from Extension Educator, Teresa Hunsaker from Utah.

- Get out your receipts or go online to your bank account or bank statements and start adding up expenses in specific categories such as clothing, food entertainment, gas, etc.
- Total each category for the entire year. This can take some time if you haven't been tracking your spending through the year, but it is important if you want to change the way you handle money.
- The last part is the most useful, and that is to ask yourself some important questions to identify ways you waste money.
  1. Did we need to spend this much money?
  2. What spending traps did you fall into?
  3. Did we get into loans that with some planning we could have saved for or avoided the interest costs? Could we have put more money down or found a better interest rate? Or could we have avoided the loan all together?
  4. Did we enter the contracts for products or services that we didn't realistically think through? In the long-term can these cause us trouble?
  5. Do we currently have little habits that add up to a considerable dollar amount when multiplied by the frequency?
  6. Are we guilty of the "I earned it, I deserved it" mentality?
  7. Is the price of convenience being forgotten in our budget and dollar equations?

It can be helpful to assess where we are financially, based on current habits we may have gotten into, then determine if there are better ways our resources could be spent. Dave Ramsey's list gives us some good things to consider for our own budget as well as a way for us to save on some of our own expenses.