

Credit and Divorce

Spending Record Forms

Many people are very vague about their money and cannot understand where it all goes. Keeping a record of *all* expenditures each week helps increase awareness of spending habits, and helps to highlight what keeps them in the constant cycle of increasing unsecured debt.

Below is a sample of a weekly spending record form. Use such a form, on a small slip of paper, and keep a daily record of every amount spent, and for what purpose.

Sun	Mon	Tues	Wed	Thurs	Fri	Sat

After four weeks, determine into what categories spending falls. Most who have tried this approach make surprising discoveries about spending habits. Some will find that they are spending \$10-\$14 a week on lattes or cappuccinos. Others may discover that they are smoking more cigarettes than they thought they were. Still others may realize their car get much less mileage than thought.

A potential benefit of this system is that the recording of expenditures actually decreases spending to some degree.

Spending Plan Forms

For many people the term budget connotes restrictions and confinement. Spending plan is more descriptive of the activity of planning expenditures of income based on an individual's own needs, goals, likes and dislikes. Use the clarity discovered from the use of the spending record to develop a realistic spending plan.

A month of daily and weekly spending records hits the vast majority of expenses most individuals encounter in their lives, so that with a month of spending records it is possible to develop an initial spending plan. Some expenses, such as car insurance, may not show up in a month's time. These expenditures should be accounted for in a spending plan so that as the bills arise the money will be available to pay them.

Category	Week 1	Week 2	Week 3	Week 4
Housing payment				
Groceries				
Automobile payment				
Automobile insurance				
Automobile repairs and maintenance				
Gasoline				
Food/eating out/lunches/groceries				
Clothing				
Household supplies				
Gifts for holidays, birthdays, etc.				
Charitable contributions/donations				

Some individuals will have more categories than those listed above. For instance, everyone would be wise to have a savings category and pay into savings first. Saving 10% of income until accumulating a 6-month prudent reserve is often recommended, especially for those for whom financial security is a major issue.

Continual Updating

As individuals use spending records and spending plans over the months, they are likely to find that their incomes may fluctuate and their spending evolves. Thus, changes to the categories will be in order. For instance, if a single unsecured debt is paid-off, increase payments on other unsecured debt until all unsecured debt is paid-off.

Coming Out of the Clouds of Uncertainty

The main benefit to consistent spending recordkeeping and updating spending plans is the knowing *where* it all goes. For those coming out of a marriage where financial conflicts played a major role, the clarity, security, and control of maintaining a close watch on individual spending can also be therapeutic.