



## Pocket Spending Guide

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### Introduction

For many people, the temptation to overspend is hardest to resist when they are out at a store or restaurant. Because their spending and savings plan (budget) is at home in a drawer, the information they need to make a good spending decision isn't available. One way to help yourself stick to your plan is to keep your information in your pocket, wallet or purse. The example below shows how to set up a pocket spending guide. By filling it out and keeping it with you, you can easily see at any time how much money you have available to spend in each category. A pocket spending guide will help you adjust your spending plan to make your money go where you really want it to go. Here is an example of what a pocket spending guide looks like:

POCKET SPENDING GUIDE FOR <i>May 2020 TO June 2020</i>							
	Expense Categories	FOOD		CLOTHING		RECREATION	
	Monthly Amounted Allocated	\$100.00		\$10.00		\$15.00	
Date	Purpose	+/-	Balance	+/-	Balance	+/-	Balance
5/1	<i>Amount Allocated</i>	+100	100.00	+10	10.00	+15	15.00
5/3	<i>Groceries</i>	-65	35.00				
5/7	<i>Sweater</i>			-20	-10.00		
5/12	<i>Lunch Out</i>	-7	28.00				
5/21	<i>Movies</i>					-8	7.00
5/24	<i>Groceries</i>	-24	4.00				
5/27	<i>Bowling</i>					-7	0.00
6/1	<i>Amount Allocated</i>	+100	104.00	+10	0.00	+15	15.00

Figure 1. Pocket Spending Guide Example

### Steps to Using a Pocket Spending Guide

1. Write in the dates that the spending guide will cover.
2. Write your expense categories, such as food, meals out, clothing, recreation, or personal care in the spaces to the right of "Expense Categories." Only include categories that you might need to make decisions about while you are away from home (not things like rent or electricity).
3. Write the amount listed in your spending plan for each of the expense categories to the right of "monthly amount allocated."
4. At the beginning of each month, add the allocated amount for each category to the balance.

5. Each time you make a purchase, whether by cash, check, debit card, or credit card:
  - a. write down the date;
  - b. list the purpose;
  - c. subtract the amount from the balance in the appropriate category.
6. When your balance reaches \$0, you will know that you've reached your spending limit in that category for the month. If you have purchased anything with a credit card and you stick to your monthly spending limit, the money will be available when it is time to pay the credit card bill.

## **Additional Resources**

*Getting Out of Debt*, Virginia Cooperative Extension Publication 354-027, <https://www.pubs.ext.vt.edu/354/354-027/354-027.html>.

*How to Make Your Money Go Further*, Virginia Cooperative Extension Publication AAEC-216, <https://www.pubs.ext.vt.edu/AAEC/AAEC-216/AAEC-216.html>.

*Your Financial Health – Balance Sheets*, Virginia Cooperative Extension Publication AAEC-186, <https://www.pubs.ext.vt.edu/AAEC/AAEC-186/AAEC-186.html>.

*Your Financial Health – Cash Flow Statements*, Virginia Cooperative Extension Publication AAEC-185, <https://www.pubs.ext.vt.edu/AAEC/AAEC-185/AAEC-185.html>.

*Your Financial Health – Interpreting Statements & Using Ratios*, Virginia Cooperative Extension Publication AAEC-184, <https://www.pubs.ext.vt.edu/AAEC/AAEC-184/AAEC-184.html>.

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