

Title:

Everyday Accounting

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574

Summary:

By the end of the day, imagine the amount of money you have spent. Just think for a second. Some of you may not have spent much at all, if anything. The rest of us generally spend more than we need to; or at least, we spend more than we realize.

Keywords:

accounting, money, food

Article Body:

By the end of the day, imagine the amount of money you have spent. Just think for a second. Some of you may not have spent much at all, if anything. The rest of us generally spend more than we need to; or at least, we spend more than we realize. This all adds up, sometimes to financial heights that incrementally sap our wallets. While it may not seem significant, this price analogy should quell potential disinterest: people find it unsavory to purchase a thirty-dollar item each day, yet they easily spend thirty dollars incrementally, perhaps because they are not as aware. They are not aware, for example, of their fixed spending (insurance, payments, bills...).

Simple everyday accounting helps to raise awareness.

Save money by logging day-to-day expenses, especially expendable purchases. Either log purchases into a pocket notepad, or simply remember them inside your head. Accounting simply entails adding up purchases, either in print or no print. Do this for one routine day and, depending on your habits, you may be surprised. The psychology behind our purchases lay in how cheap we perceive things to be. So while we may feel guilt in buying a single thirty-dollar item, we would feel less so with three ten-dollar items. Regardless of getting more bang for your buck, the sum total still balances out. The difficulty comes in the temptation of the ten-dollar items; because it leads us to spend more than we like. This can be a financial strain concerning day-to-day purchases; finances usually reserved for long term matters like insurance and payments.

The principle vice points to food. The more food purchased, the more money

spent, the greater calories gained. A scientist need not mention the symbiosis of food spending and weight gain. This example of food purchases should be the most obvious habit of anyone with even a meager amount of disposable income. Unless you pack your meals from home, accounting for your food purchases can be a clear indication of your spending habits. In fact, it may compel a person to pack more often. In theory, this can lead to weight loss, as people tend to be less picky with what they bring from home, versus the plethora of fast food chains and hearty restaurants. Give it a shot, and likewise, you may be in for a surprise.

The goal of everyday accounting: to fatten your wallets; or, to keep your wallets fat. The act of spending should not be passive. It has an immediate affect on lifestyle, because it brings awareness to everyday excesses. It makes common sense to save money. And the way to account for your disposable income is to factor in the amount you make from your job. With the aforementioned example of food, add in other daily expenses, like gas. With the information provided by your log of one routine day (or week), calculate the total amount of money spent. Now, with the sum total, find out at what percent it eats up from an average paycheck.

Yes, disposable income is disposable income. Yet what sacrifices can be made? What corners can be cut? Chances are the most expensive, routine items from your log are the expendable or replaceable items. Just be sure to optimize your purchases, and keep that wallet stuffed. Becoming aware of what you buy may lead to a rewarding change in lifestyle, and will alleviate conflicts with fixed spending variables, like bills and insurance.