

How to Make a Spending Plan: Step 7, Stick to Your Plan¹

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You can create a new spending plan by modifying your current plan. If you can increase your income, add the amount to the income sheet in Step 4. If you can reduce your spending, subtract the amount from the expense sheets in Step 5. Compare the new total income and expenses. You will have to change your habits to reach your new goals.

Keep track of your income so you can save enough to pay your bills on time and to begin saving for your short- and long-term goals. If you do not have a savings or checking account, get one. If you can't, then put money for each expense into separate envelopes, a file box, or some other safe place. Take money out of the envelopes whenever you need to pay the bills.

Helpful Tips

- Focus on your short- and long-term goals. If it helps you reach your goals, do it. If not, don't!
- Get into the **habit** of keeping and organizing records.
- Keep spending records simple.
- Find a simple and effective recording and organizing system.
- Take good care of yourself and your possessions.
- Eliminate unnecessary expenses.
- Fix or get rid of things that don't work right.
- Don't buy it new, make it, or buy it used.
- Buy in bulk. Share the costs with neighbors.
- Set aside money for your bills and goals.
- Pay your bills on time.
- Stick with your plan one month at a time.
- Review your plan every month.
- Reward yourself by doing things that don't cost money.

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