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Skipping the trip to Tim's = a week on a beach

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It's hard out there for a scrimp.

It's easy enough to avoid spending money on big-ticket items. For instance, rather than buy a new dryer because the door on mine keeps opening while clothes are tumbling around inside, I just duct tape it shut. Ka-ching. Or I'll help the budget by not planning a big vacation this year.

But when you track every penny you spend in a week, as I recently did, you realize it's the small things that wind up costing big money.

"If you don't get it right with the little things, it's a lot harder to get it right in every area of your life," says Crystal Paine, who runs the blog MoneySavingMom.com. A couple of dollars here and a buck or two there can seem too insignificant to notice.

"I think a lot of times, people don't add up over the long haul how much this is really costing them," Ms. Paine says.

As an experiment to figure out just where my money goes, I decided to keep receipts for everything I bought over the course of one week. It was a way to determine just how much I spend on small ticket items, which I define as anything that costs less than \$20.

Having come out the other side with eyes wide open, let me ask you a question. What would you rather have: coffee or a trip to Mexico? I ask because I apparently spend just over \$16 a week on coffee and muffins at Tim Hortons, where my wife and I usually stop before work. Multiply that by 52 and it turns out I spend \$672 a year on coffee. If I banked that money, I could be sipping mojitos on some sunny beach rather than slurping down double-doubles at my desk.

But do I want it enough to skip Hortons in the morning? Or my weekly \$12.98 in magazines (\$674.96 annually) or my weekly \$11.39 (\$592.28) in hardware-store goodies?

"Motivation is probably the key thing that differentiates the people who are willing to and willing not to. If they're not motivated by something, or they don't have a reason to do it, then they're not going to do it," says Scott Plaskett, a certified financial planner at Ironshield Financial Planning, in Toronto.

That motivation could be anything from wanting to pay down your mortgage or save for your kid's education. It helps to be specific, Mr. Plaskett says.

Telling yourself that you simply want to save money is too vague to stop you from opening up your wallet when you really don't have to.

But whatever the reason for wanting to save, paying attention to small- ticket items is essential.

"It's imperative, especially when people are trying to get ahead," Mr. Plaskett says.

It can also be shocking and depressing. Until last week, I had no idea my annual gum budget amounts to \$185.64. Even grimmer is the money I throw away eating out. I tell myself that I often just don't have time to make lunch while I'm getting my daughter ready in the morning. But now, knowing exactly how much I waste on eating out each week, making PB&Js the night before work seems like the easy road to a small fortune.

There are some costs I can't do anything about. Sure, I can try to turn the heat down in my house, but I'm always going to get a gas bill. And while I can try to drive less than I already do, there's nothing I can do about the price of gas when I need to fill my car up.

But did I really need to drop \$5 on a drink and a chocolate bar at the golf course last week?

When we got to the clubhouse, a friend I was playing with pulled a water bottle he filled up at home and a banana out of his bag. This guy is now \$5 richer than I am.

I look at that receipt now and wonder just how much cash I've thrown away over the years in one clubhouse or another. Next time I play, there'll be a banana in my bag, too.

This is the beauty of tracking your purchases for a week. It helps give you a true understanding of where your money actually goes and where it can easily slip in your pocket. Seeing where cash goes means seeing the light.

That's why Ms. Paine recommends not only tracking what you spend money on, but putting away debit and credit cards and instead having a cash-only budget.

"It's more of a psychological thing - that swiping your card you're still more free to spend more frivolously. Whereas when you have cash and you're on a budget and you have it in an envelope and this is all you have and you have to make it last for the month, you're just going to be a lot more careful about what you're going to spend," she says.

