

Vol2Issue 4 – The Dollar Diet

We are still in January and it's not too late to make a New Year's Resolution. Weight loss or exercising are near the top of the list for common resolutions made by Americans, but I thought I would suggest moving past the standard food diet resolution to a "dollar diet" resolution instead. If you think about it, the approaches to succeeding with either of the two types of "diets" follow similar steps. 1) Determine what you want. That is, what are your goals?; 2) Journal your current habits; 3) Identify where you need to make changes; 4) Chart your progress; and 5) Celebrate your successes!

No one needs reminded of how hard it can be to build up savings, let alone pay the weekly and monthly bills - most of us live that challenge every day. However, just as it is important to take "baby steps" at the beginning of a weight loss diet, there are "baby steps" you can take at the beginning of your "dollar diet."

- 1) Determine what you want to achieve. In other words, set your goals. What do you want for your family and/or yourself? Making sure the basic needs of the family are being met is critical. Everyone has to pay bills, buy or make clothes, and maintain our health. If you are not taking care of yourself that will impact your ability to earn the wages needed to achieve financial goals. Most goals beyond meeting these basic needs are unique to each family. For my family, taking a vacation is a fairly high priority. We make sure we save a little each month to make sure we have the financial resources to meet this goal. Other goals might include having money to pay for summer camps, sporting activities, purchasing a different vehicle, or increasing the balance in savings accounts.
- 2) Journal your current habits. Keeping a detailed journal is important so that you know where your money is being spent. The key here is to make sure you can account for every penny spent for at least a month. It is easy to lose sight of the many ways our money seems to slip out of our hands. Expenses from grabbing a bottle of water from the vending machine or running your car through the car wash can add up over the course of a month. For example, if you spend \$1.50 each day getting a drink at the local drive-thru, you will have spent \$45.00 by the end of the month. Keeping track of *everything* you spend money on will help you identify some of the hidden challenges for your "dollar diet."
- 3) Identify where you need to make changes. Using the drive-thru example above, you may decide that you will carry a bottle of water in your car and limit your drive-thru stops to twice a week. That would save you \$33.00. For our family vacation, we vary the length and location of our trip based on the amount of money we have available for this goal. You could compare this to the concept of

portion control used in weight-loss diets. You may determine that your family needs to eat more meals prepared at home instead of carry-out meals from a restaurant. You are controlling the portion of your income being spent on this convenience.

- 4) Chart your progress. When you are on a weight-loss program, you typically keep a record of how much weight and/or body fat you have lost in a given period of time. Your success is more visible over a longer period of time, but it is important to keep track more frequently. This motivates you to continue your hard work. The same holds true for being on a dollar diet. Even if you get paid bi-weekly, or monthly, keep track of the progress you are making each week to help motivate your forward progress. Charting your progress will also help you be proactive in making adjustments to your spending plan as they are needed. Set-backs are common in weight loss diets and they are common in dollar diets. Keep your eye on the goal and you can get things back on track.
- 5) Celebrate your success! Achieving your goal is one way you can celebrate your success, but there are other ways you can celebrate. If you have exceeded your savings goal, you could use part of the extra money you have saved to have a family fun day (miniature golf, bowling, hiking at the lake, or other fun activities that your family rarely takes the time for.) If you get your car paid off early, you could use some of the money designated for the original final payment to get the car detailed and waxed.

The keys to being successful in anything you set out to achieve is to make a plan, follow the plan, and adjust as needed. Sometimes the hardest part of the process is simply getting started. The first month of a new year is a great time to set new goals and create habits that will improve your everyday life. Put yourself on a "dollar diet" and let your money work for you in 2014. If you need more information on planning and using a household budget, call me at the Geary County Extension office 785-238-4161. I would be happy to help you work through the process and provide you with some resource material that would make it easier to get started. Until next time, keep living resourcefully!