How Do You Track Personal Expenses?

Worksheet

Expense tracking is recording all spending in categories to understand patterns and reduce waste. It's the foundation of effective budgeting and reaching financial goals.

Questions

1. You earn $2,000/month. Using 50/30/20, target for needs?

A) $1,000
B) $600
C) $400
D) $1,200

2. Tracking reveals you spend 60% on needs, 25% on wants, 15% on savings. Problem?

A) Over-saving
B) Too much on wants
C) Over-spending on needs, under-saving
D) Perfect balance

3. Why is categorizing expenses important?

A) It looks organized
B) Reveals patterns and spending leaks you can cut
C) Makes taxes easier
D) Just for fun

4. You find $200/month unaccounted for after tracking 6 months. Next step?

A) Ignore it
B) Analyze what expenses you missed; reallocate found money
C) Spend it on wants
D) Delete tracking app

5. You earn 3,000/month. Your actual expenses: Rent1,200, Groceries 300, Subscriptions80, Dining 400, Shopping250, Savings $0. Analyze.

6. Using 50/30/20 rule with $2,500 income, calculate target per category.

7. Tracking shows 45% on needs, 35% on wants, 20% on savings. Is this healthy?

8. Define: What is expense tracking?

9. Define: Why track expenses?

10. Define: What are the three main expense categories?

Answer Key

1. A) $1,000 — 2,000 × 50% =1,000 for needs (rent, utilities, groceries, insurance).

2. C) Over-spending on needs, under-saving — Ideal 50/30/20 means you're overspending needs by 10%, undersaving by 5%.

3. B) Reveals patterns and spending leaks you can cut — Categories show where money really goes, exposing waste you didn't notice.

4. B) Analyze what expenses you missed; reallocate found money — Found money means tracking gaps exist. Analyze, categorize, then decide: save or reallocate strategically.

5. Total tracked: 1,200 +300 + 80 +400 + 250 =2,230 Remaining unaccounted: 3,000 −2,230 = 770 (where did it go?) Dining + Shopping =650 (wants category overrun) No savings despite $770 available — spending creep.

6. Needs (50%): 2,500 × 0.50 =1,250 (rent, utilities, groceries, insurance) Wants (30%): 2,500 × 0.30 =750 (dining, entertainment, shopping) Savings (20%): 2,500 × 0.20 =500 (emergency fund, investments)

7. Ideal: 50/30/20 Your split: 45/35/20 — 10% extra on wants, 5% under on needs This means discretionary spending is slightly high. Consider trimming wants.

8. Recording all spending categorized by type (needs, wants, savings) to reveal patterns and build accurate budgets.

9. Identify spending leaks, reduce wasteful spending, align budget to goals, and build healthy money habits.

10. Needs (essentials like rent, food), Wants (discretionary like dining, entertainment), Savings (emergency fund, investments).