



**HOW TO CONTROL  
YOUR SPENDING  
WORKBOOK**

**DEBT FREE  
MILLENNIALS** 

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# MY STORY

## Spending got the best of me

When I graduated from college, I had very little knowledge of money management. Oftentimes, I would spend money on happy hours, eating out, and new clothes even though I had \$35,000 in student loan debt to pay back.

I was also dating my husband who was finishing graduate school while I lived two hours away. I spent many weekends driving to visit him and made frequent trips to the gas station. In my mind, I thought I was spending \$90 tops on gas. Boy, was I wrong.

After doing a quick review of my bank account, I saw that I spent over \$170 per month on gas. Have you ever justified expenses in your life and told yourself, “this isn’t that expensive” or “I don’t spend that much on XYZ purchases”? Then you check your bank account and it seems like all the money has somehow disappeared! It’s happened to me and to a lot of the community inside of the Debt Free Millennials Facebook Group.

## Overspending can get messy

Overspending can get messy. It can make us feel guilty or shameful. Inside of this workbook, I’m going to cover how to stop spending more than you make so you can start living a debt free life. I have included visual tools and activities to help you with your debt free journey.

The tools inside of this workbook will help you control your spending so you can live a debt free life. This workbook is for those who:

- Struggle with overspending
- Don’t know how much they spend
- Want to tackle debt for the first time
- Need new strategies on their debt free journey

# STEP 1

## Track Your Monthly Income and Expenses with a Written Budget

The first step to get your spending under control is to track your income and expenses with a written budget. A written budget gives your money direction. It gives you permission to spend lavishly on the things you love and cut out spending on the things that no longer serve you.

There are several ways to budget:

- Spreadsheet
- Budget app
- Whiteboard
- Pencil and paper

Included in this workbook is the printable version of the Debt Free Millennials Budget Toolkit. It's the exact spreadsheet that I have been using since 2011 to track my income and expenses. You don't have to use my spreadsheet if it doesn't work for your brain. Find what works best for you and stick to it!

**The budgeting method that I'm going to use is:** \_\_\_\_\_

### Action Items:

- ☐ Set up a monthly budget template using a method above.
- ☐ Look up your income and expenses from the previous month inside of your bank statements and/or credit card statements.
- ☐ Record your income and expenses.



## STEP 2

### Spending Audit

After your budget is set up, you will conduct a spending audit. A spending audit looks at the average spending over the last three months. There are three reasons a spending audit helps you control your spending:

1. You get a better picture of where your money is going.
2. You identify the big expense culprit(s). What is draining your bank account each month?
3. You can more accurately estimate spending categories for your budget.

**The way you conduct a spending audit is to go through your bank account and credit card account and record the past three months of spending for your expenses.**

You can do a spending audit for each variable expense. ***A variable expense is spending that fluctuates from month to month.*** Variable expenses include, but not limited to:

- Groceries
- Restaurants
- Clothes
- Amazon purchases
- Shopping
- Bars and happy hours
- Events (concerts, sporting events, festivals)

A good way to start the audit is to think about your top three expenses first. Then track each one. You probably have an idea of what you typically spend on.

**My top three variable expenses are:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Next, let's do a spending audit on just these three variable expenses. Once you get the hang of it, you can do an audit for each variable expense you might have. I have about 10 variable expenses that change each month, but because I did a spending audit, I know the average of how much I spend in each category.

**Action Items:**

- ☐ Identify your top three variable expenses
- ☐ Conduct a spending audit using the template in this workbook for each expense

# Spending Audit Worksheet

Look up your spending history in your bank account or credit card account for the variable expense over the last three months. Add up each month's spending and take an average.

Variable expense: \_\_\_\_\_

Month 1	Date	Amount
Total spent in Month 1:		

Month 2	Date	Amount
Total spent in Month 2:		

Month 3	Date	Amount
<b>Total spent in Month 3:</b>		

Total spent in Month 1: + Total spent in Month 2: + Total spent in Month 3:

Sum =

Total spent / 3 = \_\_\_\_\_  
 (this is your average spending on this expense each month!)

## STEP 3

### Create intentional spending

After you create a budget and do a spending audit, it's time to be intentional with your spending. Instead of all the extra things you keep saying, "yes" to, how can you make your spending intentional?

Let's say during your spending audit you found that you go to Starbucks more often than you thought. Instead of cutting out your coffee spending, how can you make it more intentional? You could start by giving yourself a spending allowance on Starbucks or make it a Monday morning ritual only.

Think of two intentional spending habits you can create and record them here.

#### Two things I can be intentional about:

1. \_\_\_\_\_
2. \_\_\_\_\_

If you feel like this exercise is giving you that restrictive feeling, try to reframe your thoughts to, **"I am not saying no forever, I'm saying no right now."** When you say no, you actually give yourself permission to let go of any guilt or fear you might feel. A lot of people are afraid to direct their spending through a budget because they feel like they are missing out.

#### Action Items:

- ☐ Identify two areas of your budget where you can create intentional spending

## STEP 4

### Identify wants versus needs

Money makes people emotional. You feel happy when you get your paycheck. You feel fearful when you receive a high credit card bill. Too often, we confuse **need spending** with **want spending**.

**Need spending** is defined as mandatory spending that needs to happen in order to meet your basic living requirements.

**Want spending** is defined as any spending that makes life more comfortable, fun, and easy.

Want spending can take over the budget if you're not careful. It can wreak havoc on any situation, regardless of your income. It may even pop up in areas where you think you are spending money in a good way but it's actually doing more harm than good.

For example, let's say you give money towards saving the pandas. You love pandas. You have a panda T-shirt and they are the first animal you visit at the zoo. They are fat and fluffy and damnit, they're so cute! So, you want to help by contributing to a nonprofit each month.

But the truth is, you are overspending. And putting yourself into potential debt or living off of savings which isn't going to help you help the pandas. You don't have to solely rely on giving money to make a difference. Instead, you could support the pandas by donating your time.

Ways you could donate time instead of money towards saving the pandas:

- Post on social media about pandas
- Bring awareness to your community
- Volunteer at the next zoo event

Time is just as valuable of a resource as money, perhaps even more valuable. When we donate time versus money, we still get to say "yes" to our values.

**Overspending means you are willing to sacrifice your budget and values in exchange for temporary pleasure.**

#### Action Items:

- ☐ Fill out the wants and needs chart
- ☐ Identify three want spending items that you can temporarily pause or reduce

## Wants versus Needs Activity Sheet

<b>My Wants</b> What are the things I WANT that make my life fun?	<b>My Needs</b> What are the things I NEED to survive each month?

Circle your top three wants that you could temporarily reduce or live without. You may even see a few items in your needs category that you could adjust. Maybe you live in an apartment that has a high rent. You might consider moving to a place with a smaller monthly rent to save money while you work on getting your spending under control.



## STEP 5

### Replace spending with contentment



\*when spending is used to  
create contentment

This step is the most important step in getting your spending under control. Many people confuse spending as a source of contentment. However, contentment doesn't come from spending money. Contentment comes from finding joy in things or experiences that money can't buy.

Those who use retail shopping as therapy find themselves in a vicious cycle. When you replace contentment with spending, you ignore your core values. Your core values are what make you, you!



\*when connecting with core values is  
used to create contentment

Think about all the intangibles that create you. I enjoy writing, reading, cooking, surfing, and taking my daughter to the park. I also love music and connecting with my friends and family. These are the intangibles that make me feel content. If I don't have that, I have discontentment. I get confused all the time by trying to locate contentment in material goods.

I can't tell you what I bought at Target last month, but I can tell you how much joy I experienced surfing at the beach.

## Contentment Activities List

Set a timer for 10 minutes. Without stopping, list out all of the activities that bring you joy and doesn't cost money. It could be as simple as watching a Disney movie or FaceTiming a friend. Put on a good song, and write out your contentment activities now!


Circle your top three activities that you love to do. Start incorporating at least one contentment activity per week. You will see that your spending will lessen and your joy will grow. Share inside of the Facebook Group which contentment activity you are doing to help you in your debt free journey!

## Spending Trackers

An easy way to control your spending is to track it! Groceries, eating out and entertainment are three big categories millennials can overspend in.

Prior to the first of the month, enter in your budgeted amount. Write down each time you spend in the category you want to track. At the end of the month, add up how much you spent. If you are over budget, look for ways you can cut back. I have included templates for eating out, groceries, fun money, and a generic template for whatever you wish to track.



## Eating Out Tracker

<b>Month:</b>		
<b>Budgeted amount:</b>		
<b>Date</b>	<b>Restaurant</b>	<b>Amount Spent</b>
<b>Total spent:</b>		
<b>Under or over budget?</b>		
<b>What I will do differently next month:</b>		

### Eating out hacks:

- Go out for lunch instead of dinner. Lunch specials are usually cheaper.
- Split meals or order off of the appetizer menu versus an entree.
- Go out during happy hour to get better deals on drinks and food.  
(This is my personal favorite!)



## Groceries Tracker

<b>Month:</b>		
<b>Budgeted amount:</b>		
<b>Date</b>	<b>Grocery Store</b>	<b>Amount Spent</b>
<b>Total spent:</b>		
<b>Under or over budget?</b>		
<b>What I will do differently next month:</b>		

### Grocery shopping hacks:

- Eat before you go grocery shopping. Trust me.
- Shop the generic brands versus store brands.
- Buy produce that's on sale or in season.
- Meal plan - even if it's only for three dinners for the week.
- Bring a list and only shop what is on the list.
- Shop for just a few days worth of groceries versus two weeks. You will be able to eat everything while it's fresh and avoid wasting food.

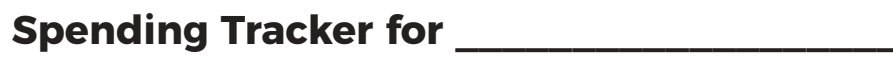


## Fun Money Tracker

<b>Month:</b>		
<b>Budgeted amount:</b>		
Date	Fun Activity	Amount Spent
<b>Total spent:</b>		
<b>Under or over budget?</b>		
<b>What I will do differently next month:</b>		

### Fun money hacks:

- Whether you attend a baseball game or get your nails done, it needs to be recorded here.
- Use your contentment activities list you filled out earlier.
- Shop Groupon for deals on fun activities.
- Look for activities that you can split among friends.

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# HOW TO SETUP A SAVINGS GOAL (AND STICK TO IT)

The median savings account balance is \$3,200 for millennials, according to a 2021 study by Value Penguin. When spending is out of control it diminishes your ability to save. I love to create savings goals and here's how to do that effectively.

## Get specific with your savings goal

I've talked to a lot of people who have savings set aside but there is no clear definition of what that money is meant for. I've also talked to people who want to build savings into their budget but can't identify why they're saving.

In order to get clear with your savings goal, you need to know four things:

1. What you are saving for
2. How much you need to save
3. When you would like to have the money
4. How much money you need to set aside per month

If you know these four things, you can save for your goal easily. This method works for building an emergency fund, saving for a down payment, a new car, or saving for a new baby.



### **Example: Building a 2-3 month emergency fund**

Most millennials will tell you that \$1,000 is not enough to cover an emergency situation which is why I recommend building a 2-3 month emergency fund. The amount should cover your basic living expenses for 2-3 months in case you were to get laid off from your job, experience a medical emergency, or need to cover the costs of a car repair.

**What:** 2-3 month starter emergency fund

**How much:** Add up your monthly core living expenses

Mortgage - \$1,100

Cell phone - \$80



Internet - \$60  
Water/Electric/Gas - \$150  
Food - \$500  
Car - \$300  
Total = \$2,190

Then, multiply it by 2 or 3 to get the total amount that you need.

$\$2,190 \times 2 = \$4,380$   
 $\$2,190 \times 3 = \$6,570$

**When:** 12 months

**Monthly amount you need to save:** \$365 for 2 months and \$547.50 for 3 months



### **Example: saving for a car**

**What:** Jeep Grand Cherokee Overland Package, 2-5 years old

**How much:** \$40,000 for 2019 - \$27,000 for 2016 (I used Kelley Blue Book to look up the amounts so I could get realistic numbers)

**When:** in 3 years ( $\$40,000/36$  months)

**Monthly amount you need to save:** \$1,111



### **Example saving for a new baby**

**What:** baby supplies (stroller, car seat, crib)

**How much:** \$1,500

**Tip:** Research costs online to get a baseline!

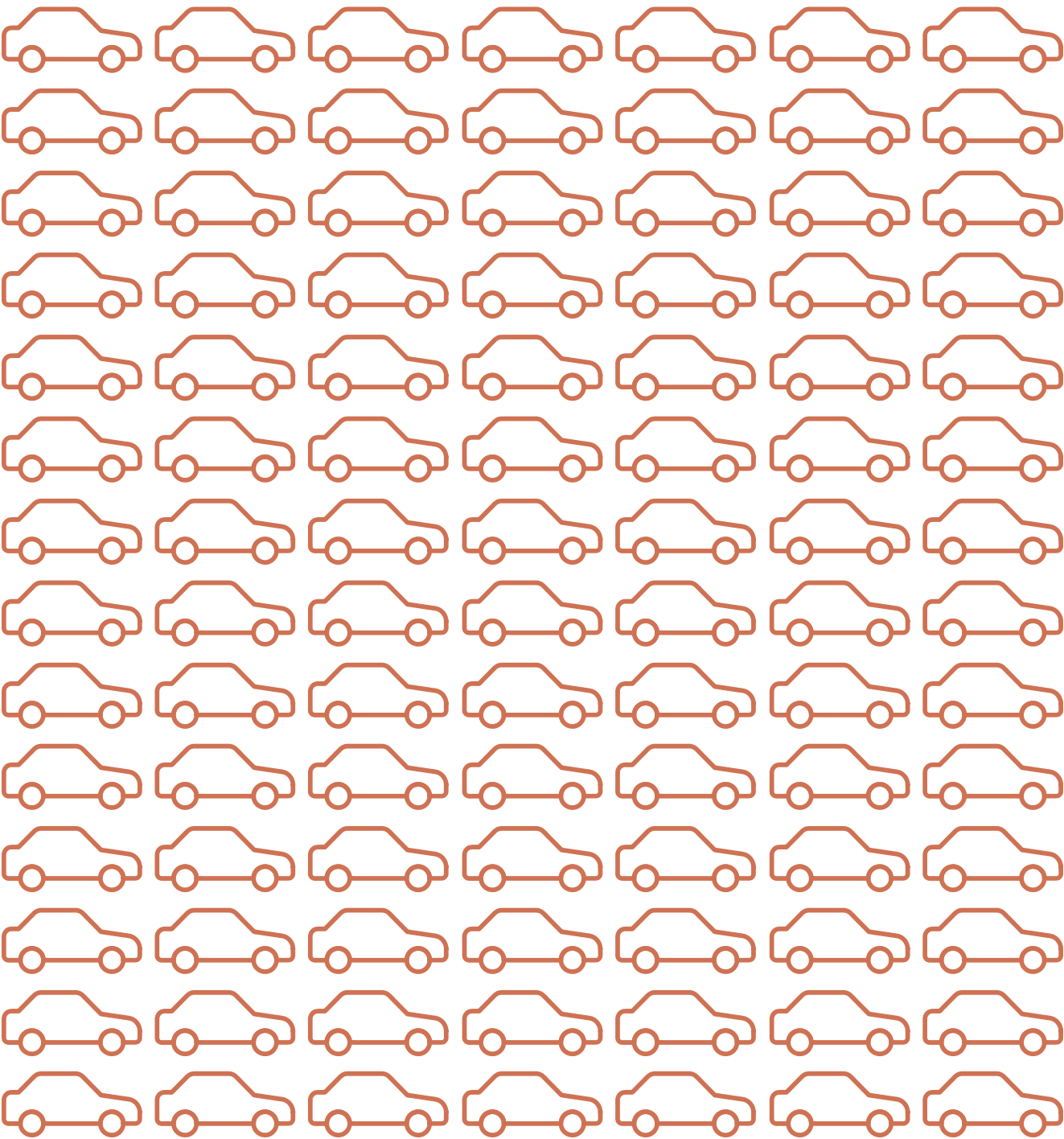
**When:** by the start of third trimester (in 7 months) ( $\$1,500/7$  months)

**Monthly amount you need to save:** \$214

# NEW CAR

## Savings Tracker

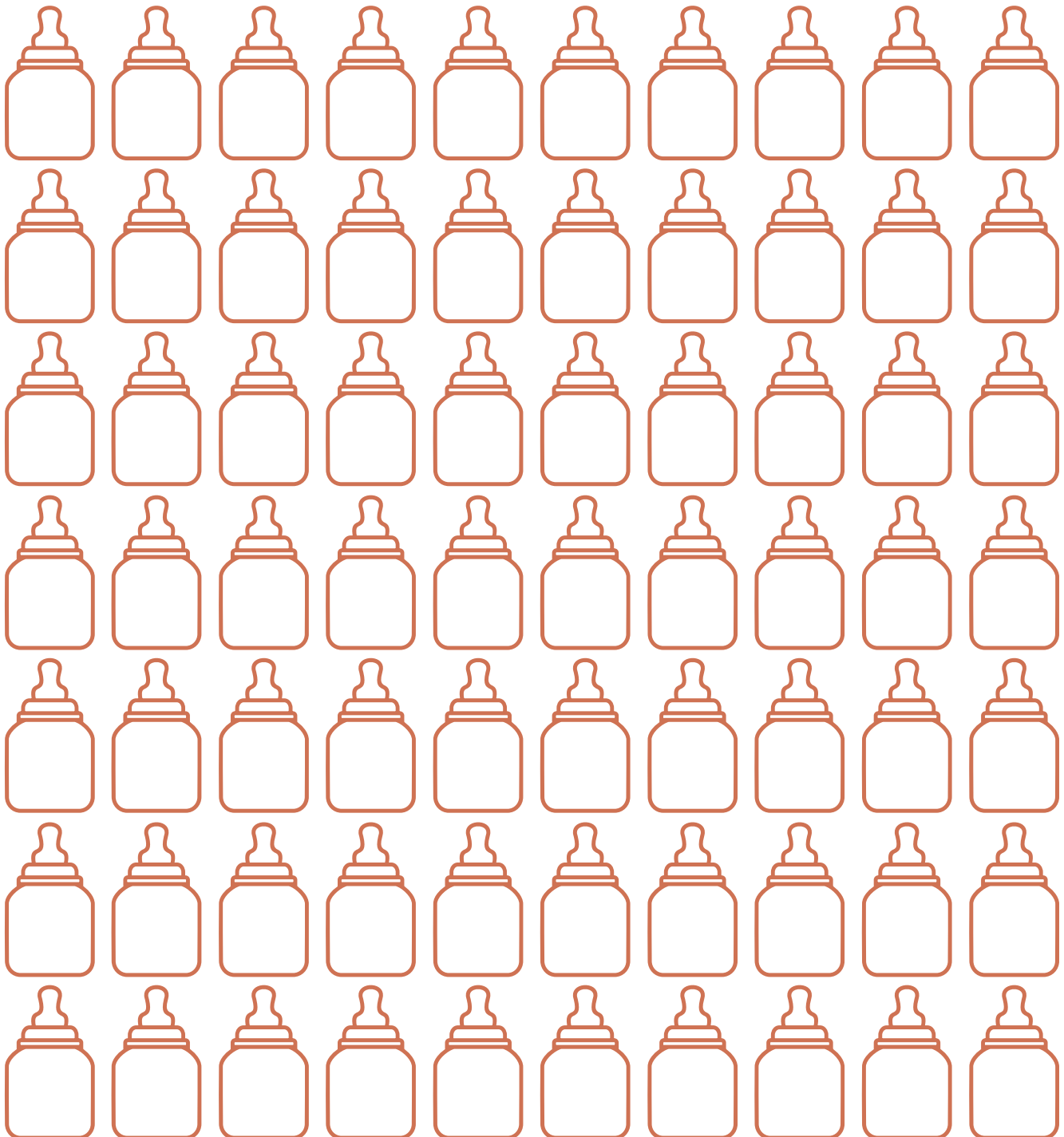
New Car Savings Goal	Each Car Equals 98 cars total
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# B A B Y

## Savings Tracker

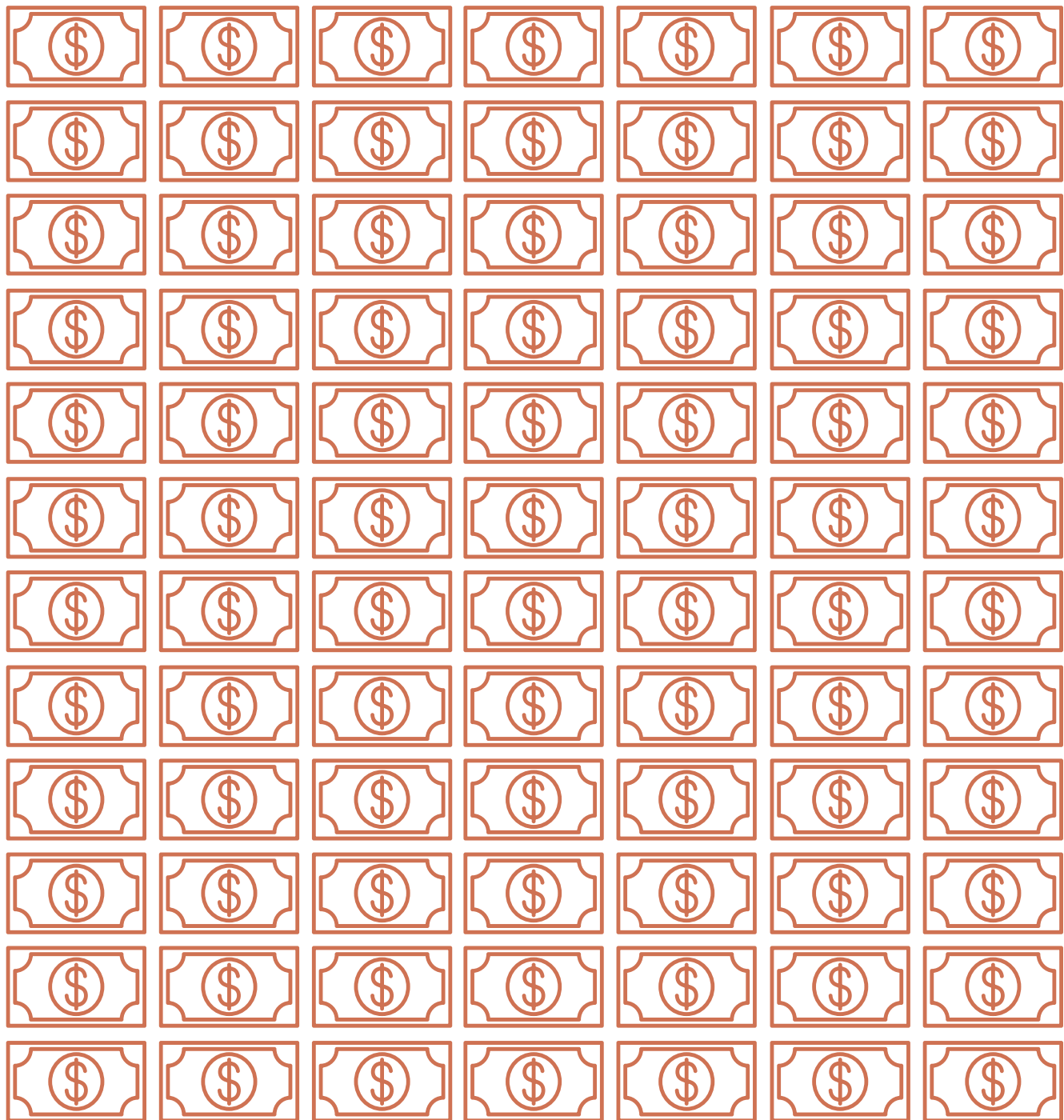
Baby Savings Goal	Each Bottle Equals 70 cars total
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# EMERGENCY FUND

## Savings Tracker

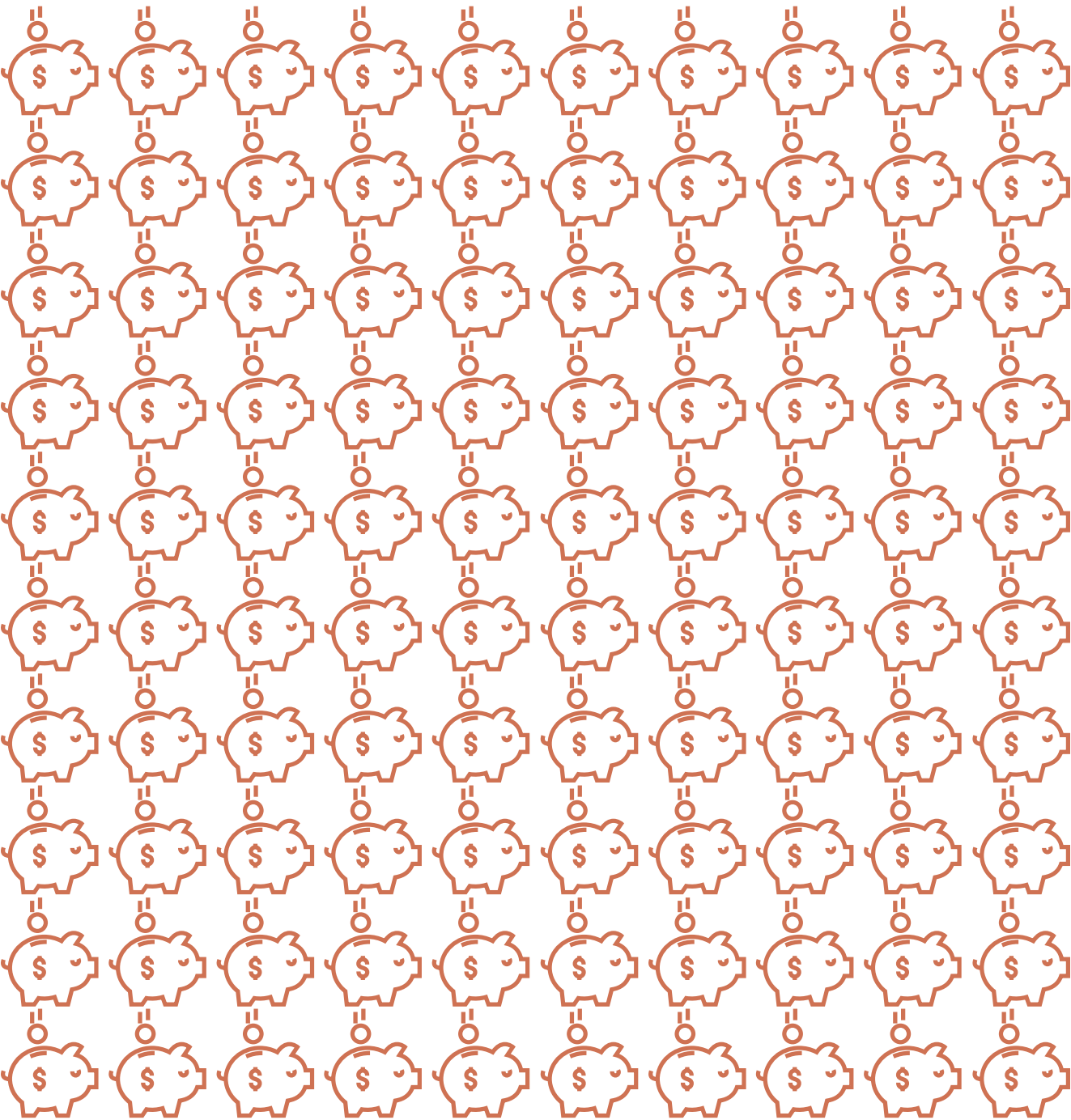
Emergency Fund Goal	Each Bill Equals 84 bills total
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# SAVINGS GOAL

## Savings Tracker

Savings Goal	Each Piggy Bank Equals 100 banks total
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# HOW TO CRUSH DEBT EFFECTIVELY

While you work on getting your spending under control, you'll find it much easier to pay off debt. From student loans to credit card debt, there are effective strategies that real millennials have used to pay off thousands of dollars in debt in a short period of time. I've included the debt pay off hacks below, plus debt payoff worksheets to track your progress!

## How to hack your student loan debt

Ready to see some progress on your debt? One of the best things I did while paying off my student loans was paying off each loan individually versus one payment. My federal student loan was actually made up of 10 tiny loans. Instead of letting the system spread my payment across my 10 loans, I decided to focus on one loan at a time.

I paid the minimum payment on all of my loans except for one. I focused on throwing all of my extra payment towards that one loan until it was gone. It was really motivating. Instead of seeing my massive \$35,000 debt, I saw \$2,500. That was easier to manage and pay off.

## Three strategies to pay off your credit card debt

Credit card debt can be the most crippling type of debt to have, so I wanted to share three strategies that can help you get it under control.

**1/3**

of Americans pay the minimum due on their credit card each month according to the FINRA Foundation.

At least  
**20%**

of people inside of the Debt Free Millennials Facebook Group said that the biggest financial struggle they are dealing with is credit card debt.

### Strategy #1 - Pay off credit cards from highest interest rate to lowest interest rate

Log into your account and take a look at your credit card statement. Write out your credit card debt and order your debt according to the highest interest rate. You will focus on the debt that has the highest interest rate first.

### **Strategy #2 - Pay off credit cards from lowest balance to highest balance**

Pay off your credit card debt according to your lowest balance first. This method completely ignores interest rate and instead focuses on small wins. The instant gratification from paying off your smallest balance will help you stay motivated to tackle the next debt.

### **Strategy #3 - Negotiate your interest rate**

If you pay the minimum payments on time, call up the credit card company and ask if you can get a lower APY. The worst they can say is no. There might be a chance that your credit card company could work with you.

I want to be clear on one thing, though. If you have debt from multiple credit cards, you need to focus on one card at a time. Pay minimums on everything else except for that one card. This works for any of these methods that I mentioned. If you try to pay off everything at once, you will end up burning out and give up. We don't want that!

## **What to do about your car loan**

I have spoken to millennials who have \$500-\$700 monthly car payments and make around \$40,000 per year. What I have learned is that cars are an emotional purchase. We get excited to buy a car that has new features and makes commuting more enjoyable. The payments seem manageable in the beginning and then start to become a source of resentment. Especially when you experience your first major car repair.

In order to determine whether you should keep your car (and the loan), ask yourself these two questions:

- 1. Is the value of the car less than half of your annual income?**
- 2. Including all of your debt, plus this car payment, can you be debt free within five years?**

If you answered yes to both of these questions, you can make the choice to keep the car, pay it off, and vow to never get into a car loan again!

If you answered no, now is the time to consider selling it and working with your lender to see what are your options.

# DEBT PAYOFF WORKSHEETS

## How to use the debt payoff worksheets

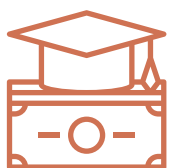
Use the worksheet by recording each time you make a payment towards your debt. I have included templates for student loans, credit card debt, a car loan, and a generic debt template that you can customize.

If you have multiple student loans or credit card debt, you can print off a new worksheet for each loan you have, or lump it all together. Do what works best for you and get going!

### Action Items:

- Print off a debt payoff worksheet for each debt you have
- Record each time you make a debt payment
- Put these worksheets in a place where you can access them easily





## Student Loan Debt Payoff Worksheet

### My Student Loan Debt

Loan name:

Total owed:

Interest rate:

Minimum payment:

Payment Date	Amount Paid	Debt Remaining



## Credit Card Payoff Worksheet

### My Credit Card Debt

Credit card name:

Total owed:

Interest rate:

Minimum payment:

Payment Date	Amount Paid	Debt Remaining



## Car Loan Payoff Worksheet

<b>My Car Loan</b>
<b>Lender:</b>
<b>Total owed:</b>
<b>Interest rate:</b>
<b>Minimum payment:</b>

Payment Date	Amount Paid	Debt Remaining



## Debt Payoff Worksheet for \_\_\_\_\_

**Lender:**

**Total owed:**

**Interest rate:**

**Minimum payment:**

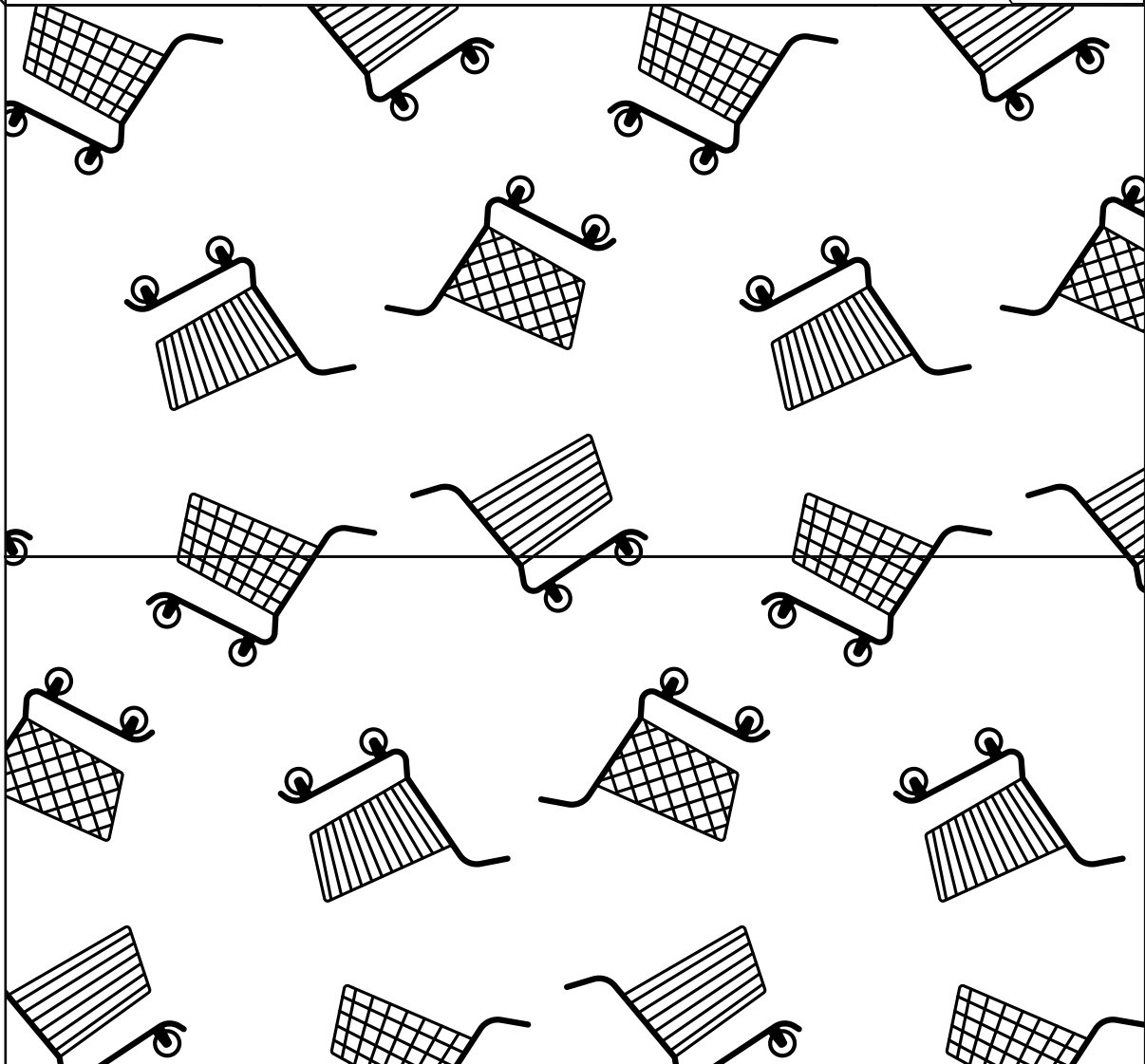
Payment Date	Amount Paid	Debt Remaining



Monthly Total	Forecasted	Actual
Income:		
Expenses:		
Net:		

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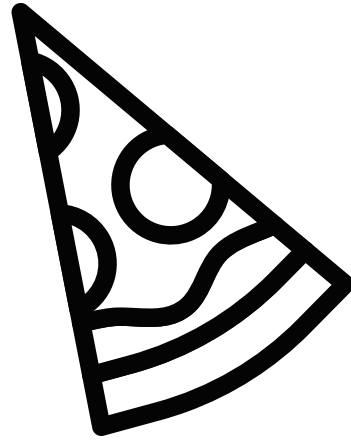
DUDE...  
WE NEED FOOD!



**DUDE...  
WE NEED FOOD!**

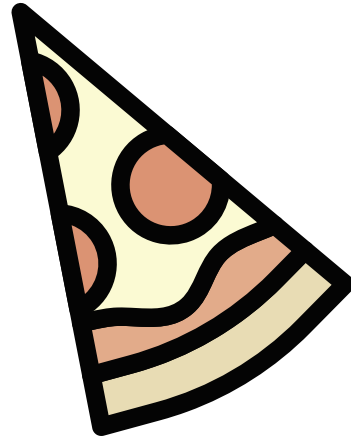



**Be Kind.  
Work Hard.  
Eat Pizza.**





Be Kind.  
Work Hard.  
Eat Pizza.

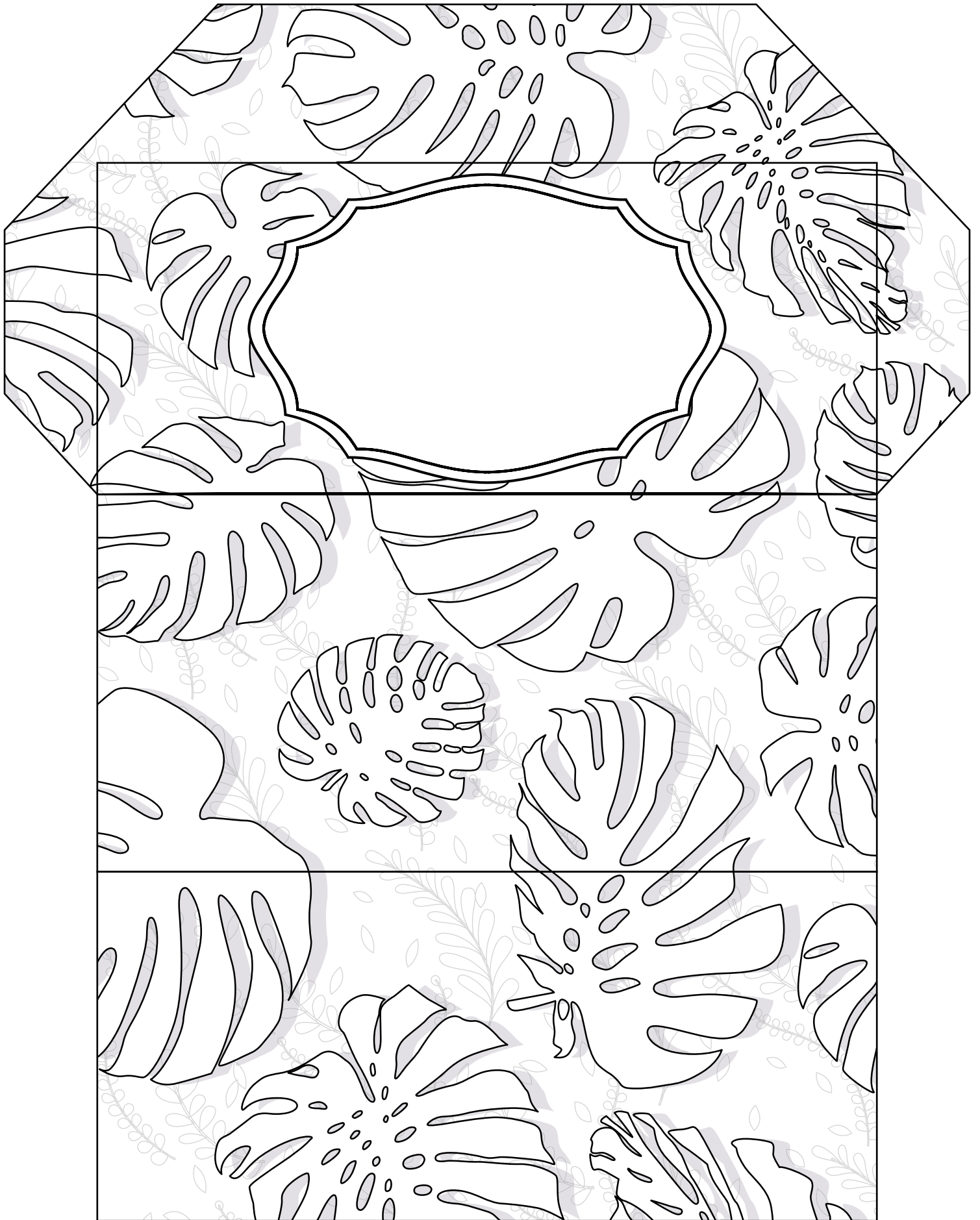




FEEL GOOD

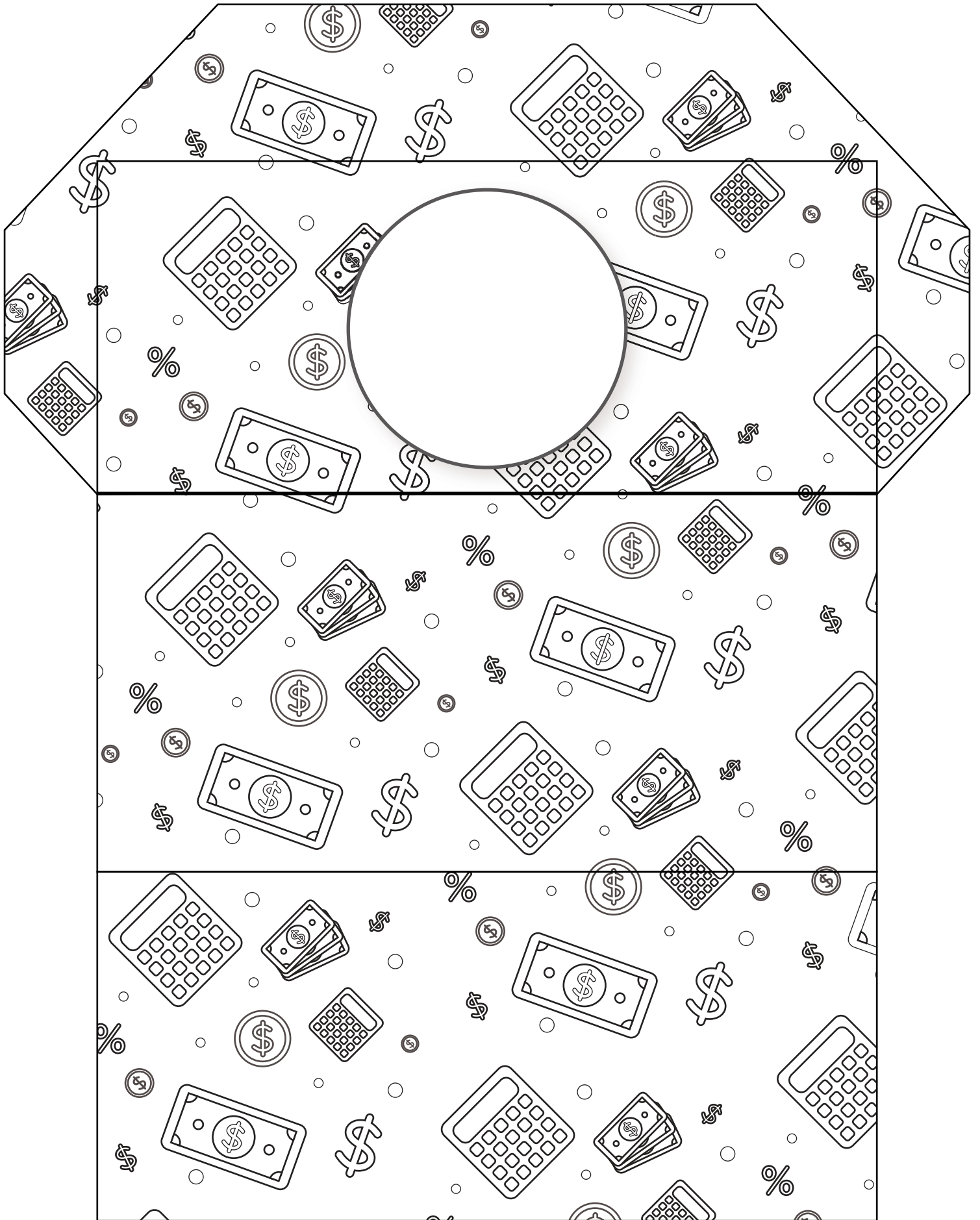


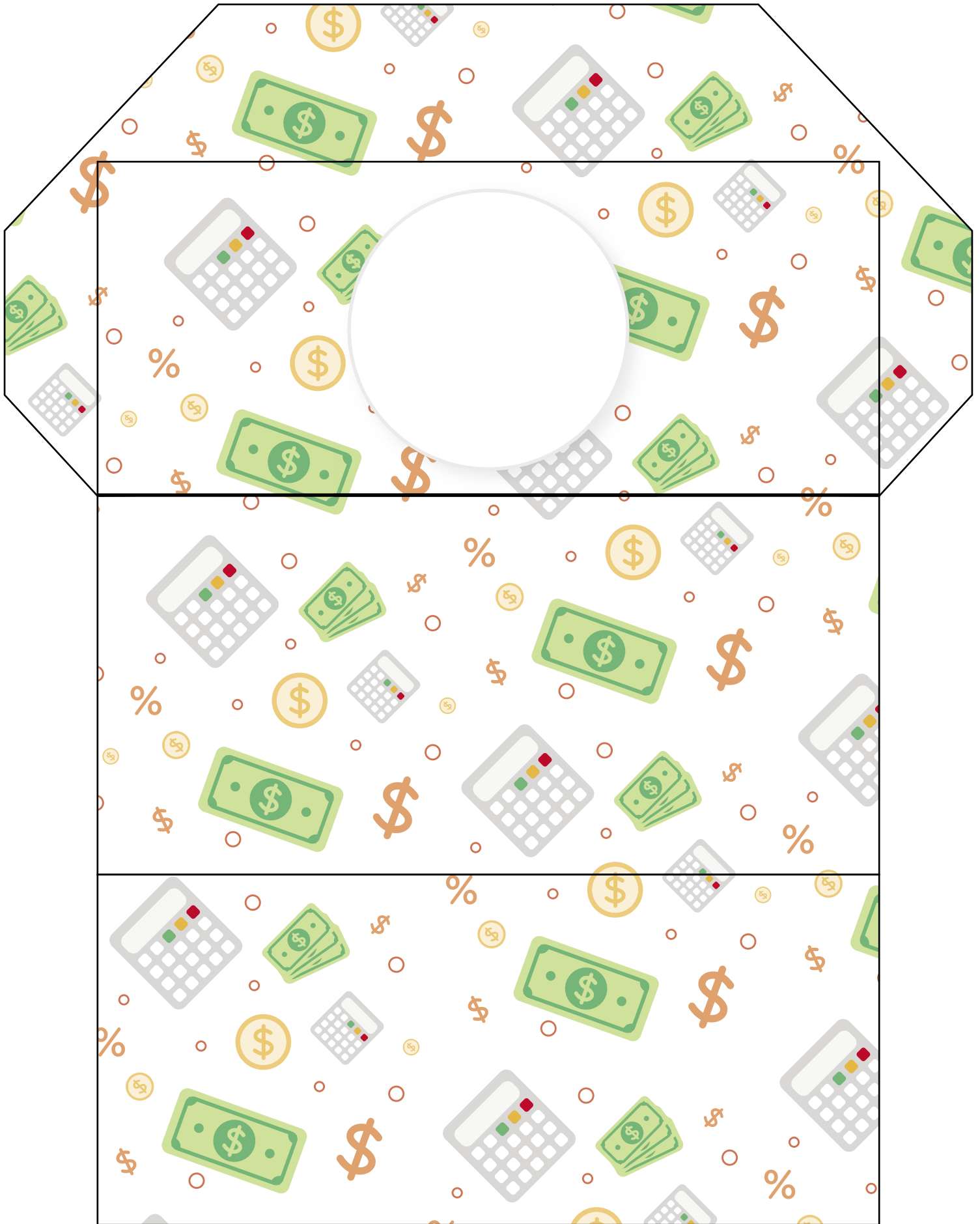
FEEL GOOD

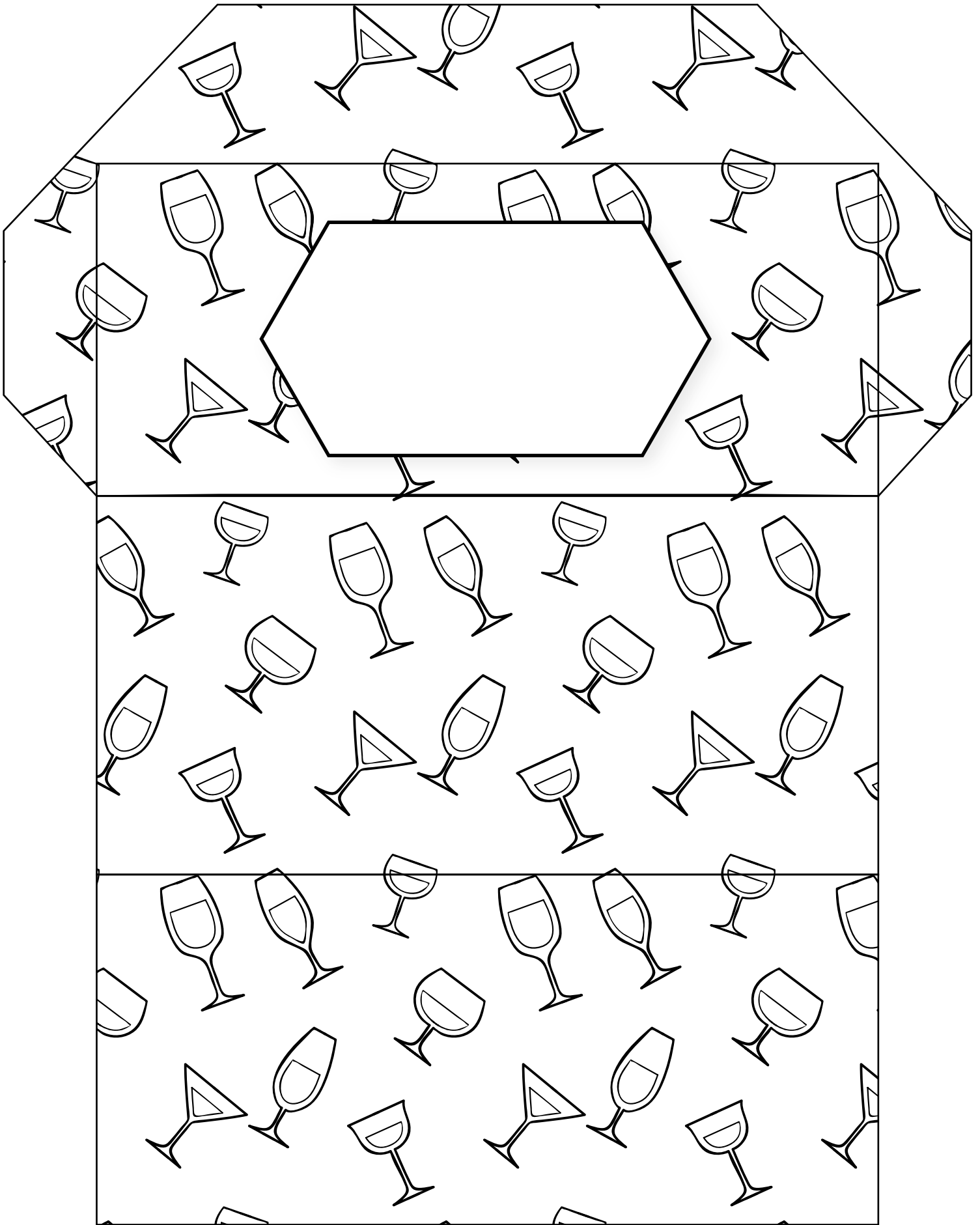




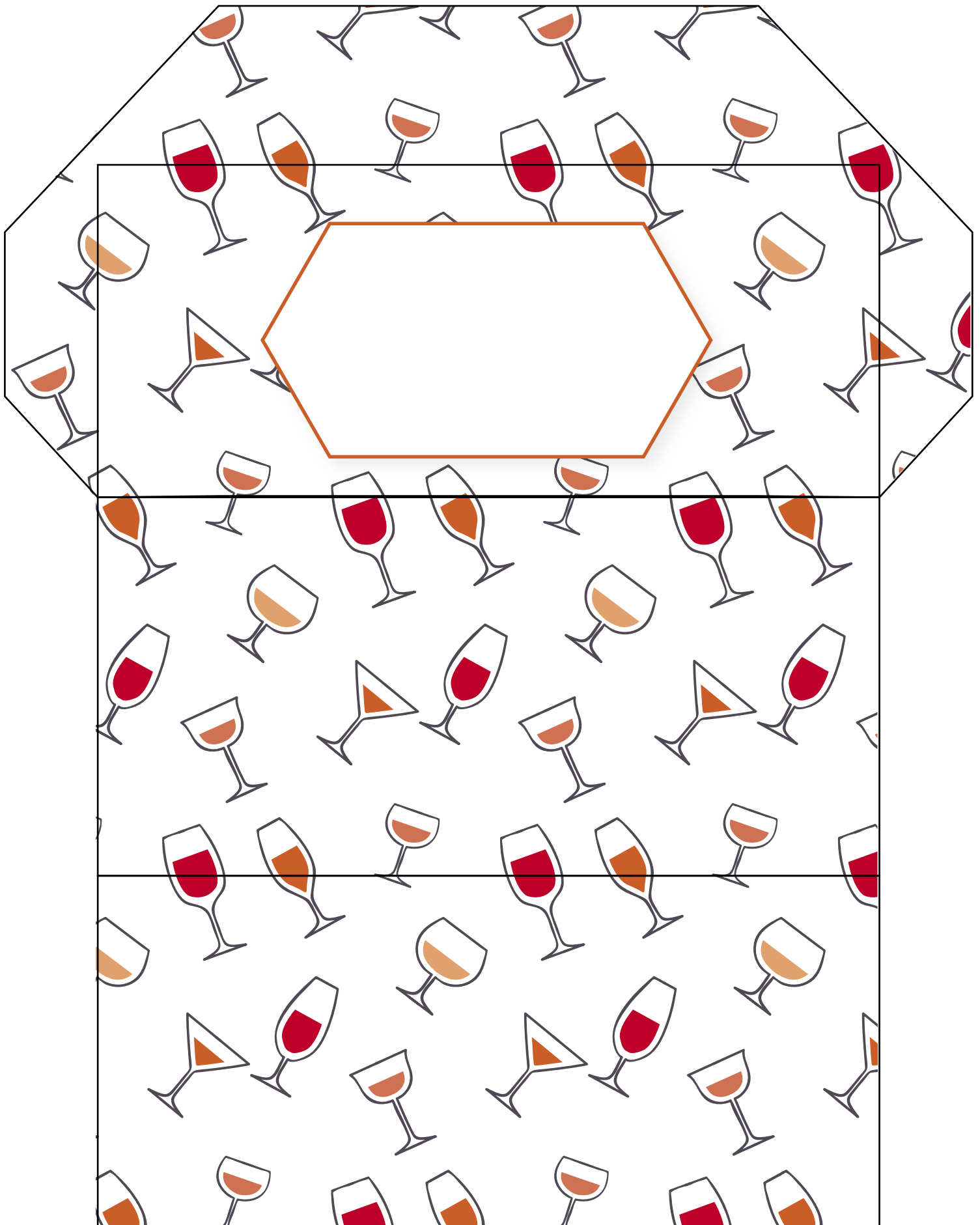












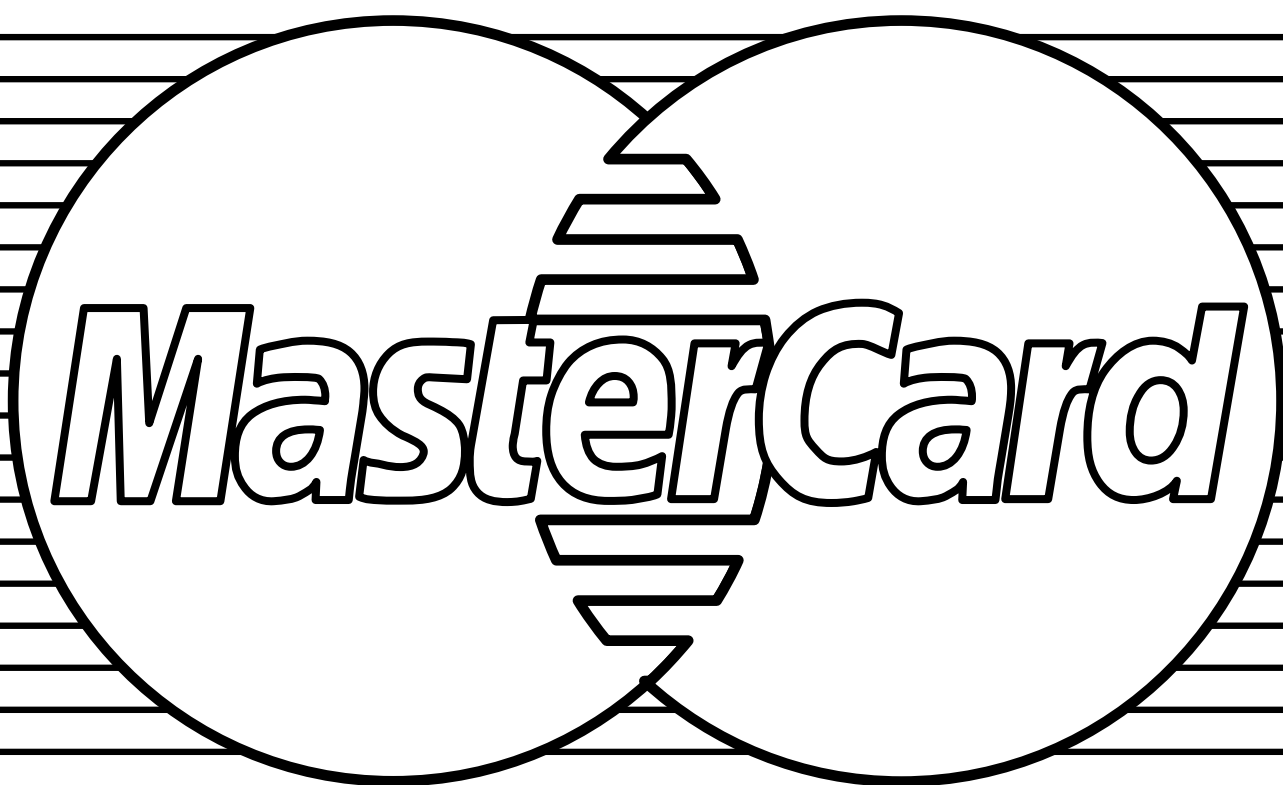
**SUCK IT AMEX**



**SUCK IT**

**VISA**

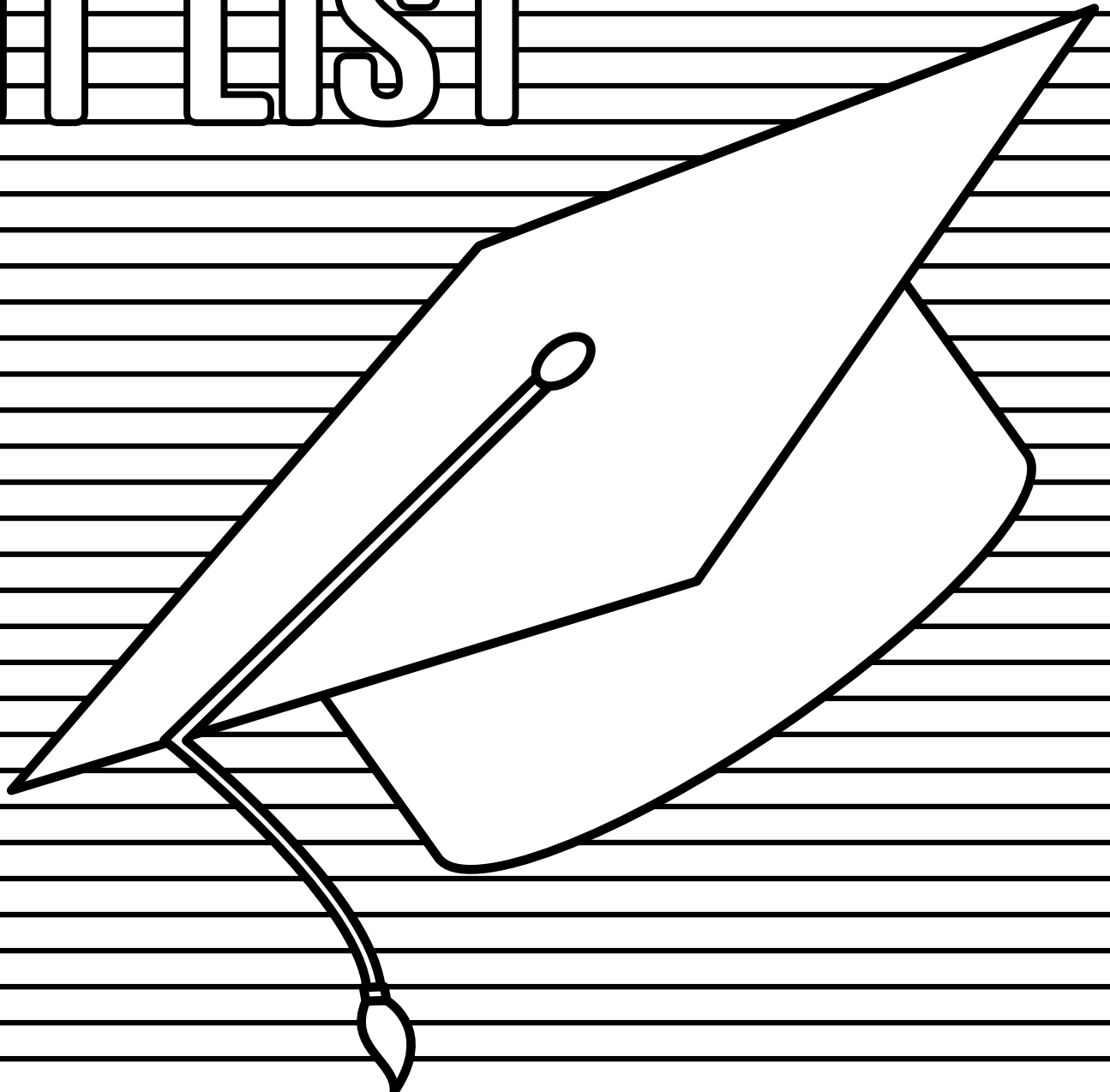
SUCK IT



# STUDENT

# LOAN

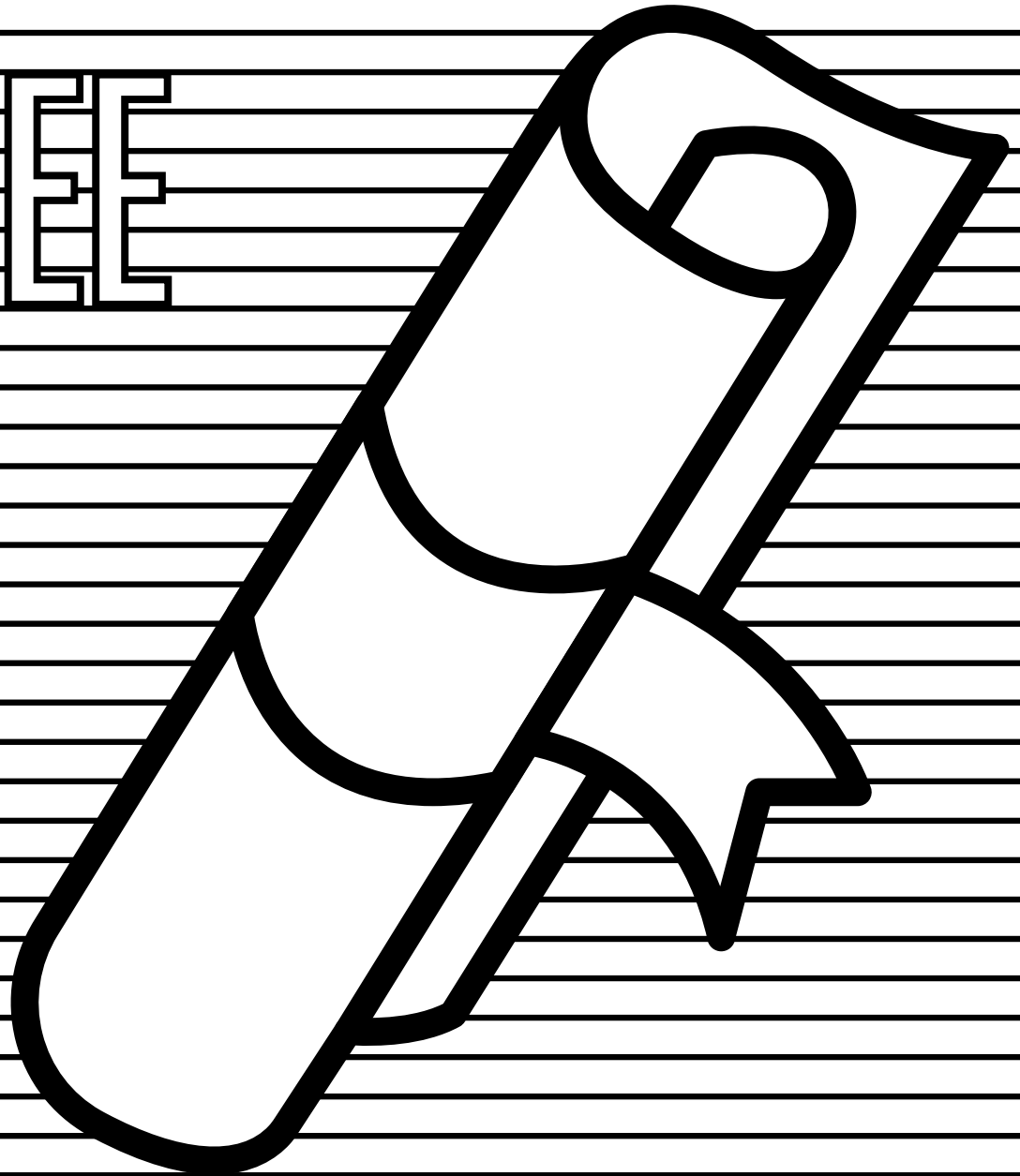
# HIT LIST



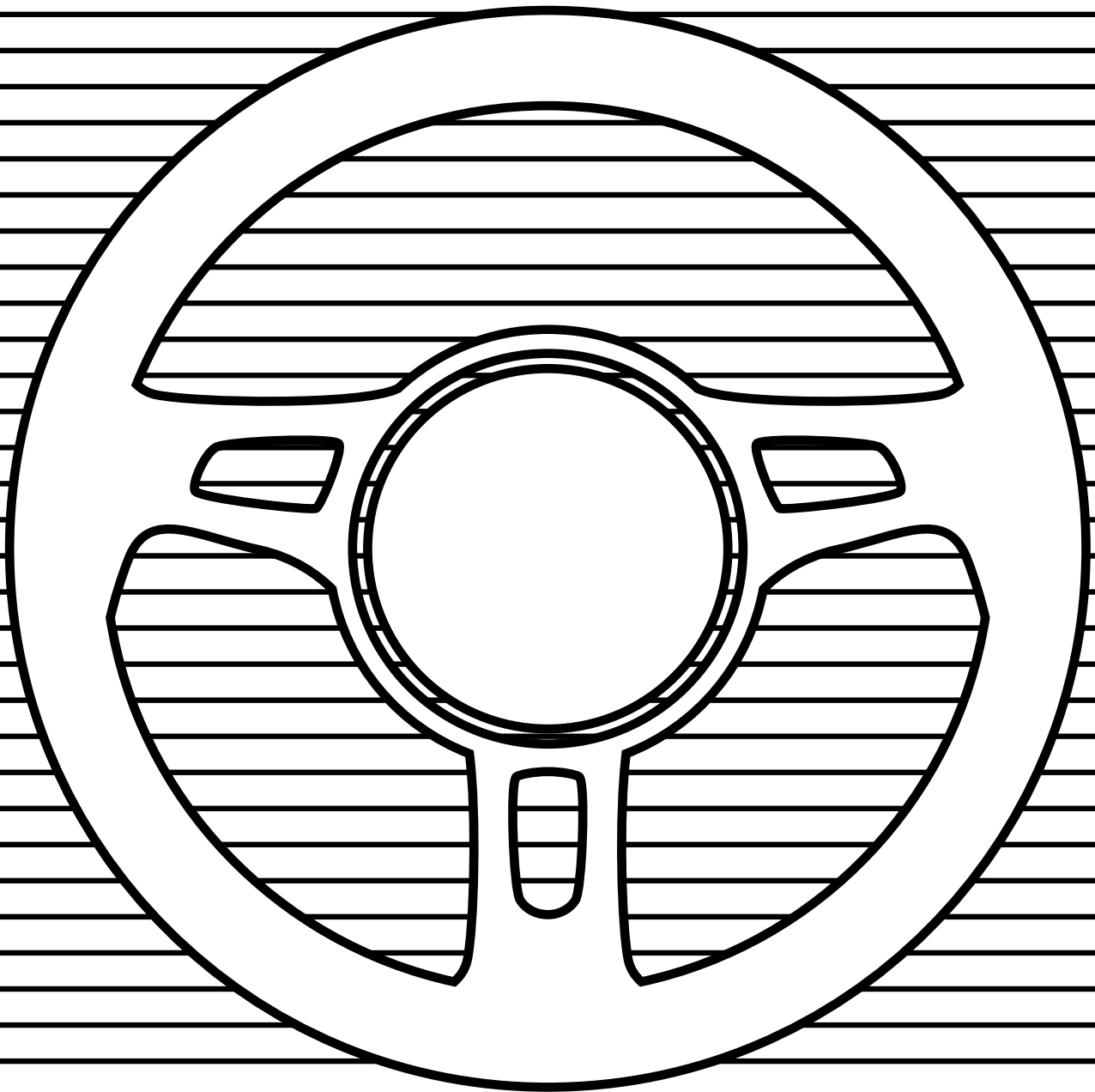
DEBT FREE


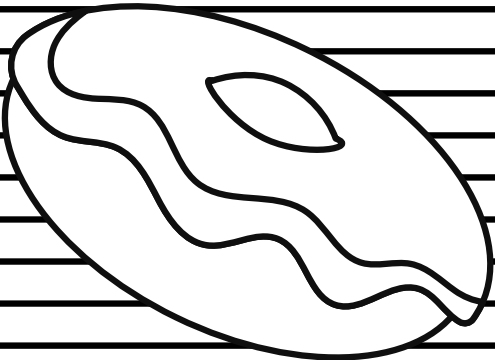
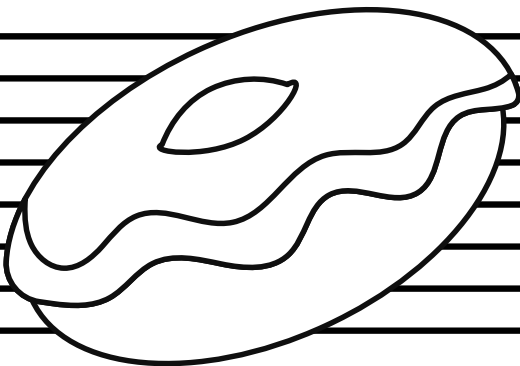
FOR THE

DEGREE

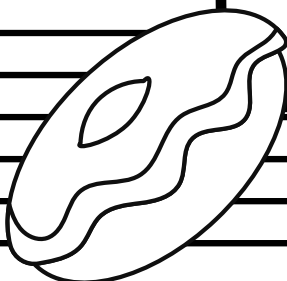


# FREE MY RIDE

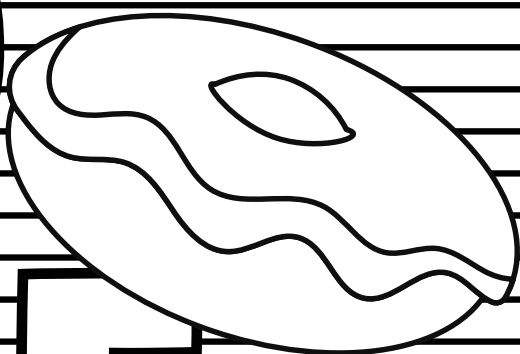
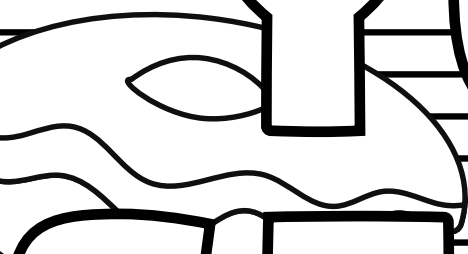





**TREAT**



**YO**



**SELF**

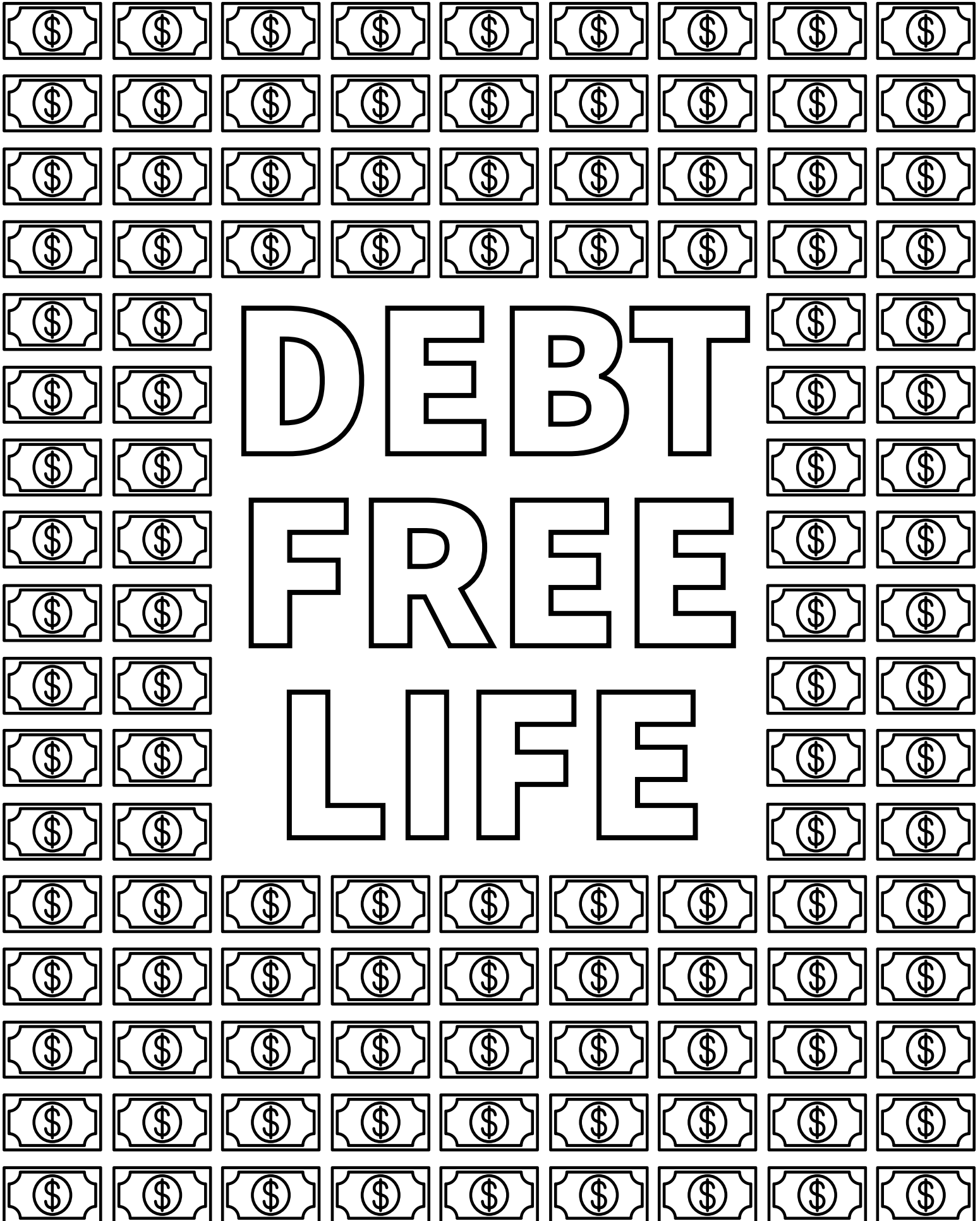




## Debt Payoff Tracker for

## Goal

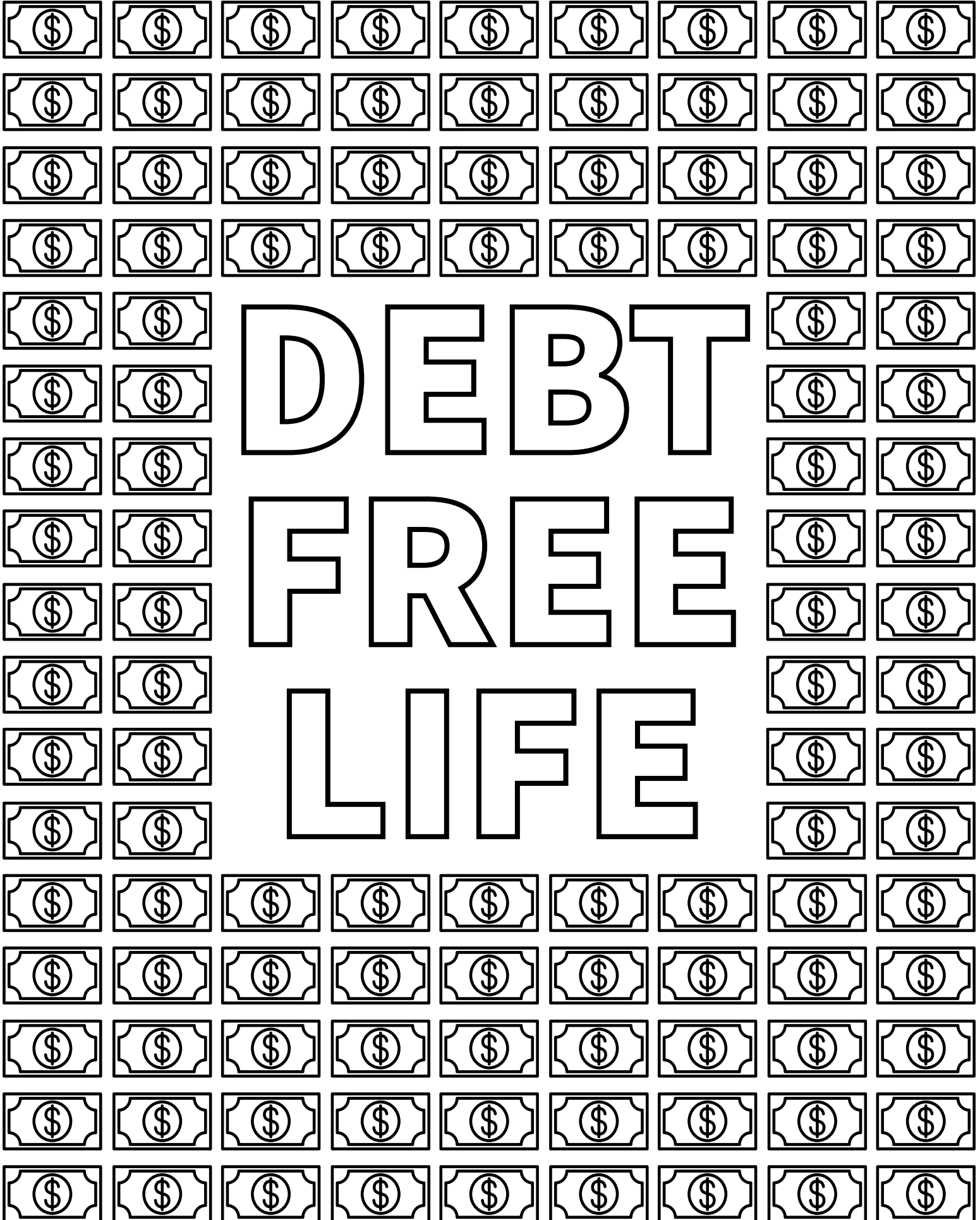
**Each Bill Equals \$1**  
113 bills total



## Debt Payoff Tracker for

## Goal

**Each Bill Equals \$1**  
113 bills total



# MY FAVORITE TOOLS AND RESOURCES

I have included a list of tools, products and services that are here to help you on your debt free journey. I have personally used and tested each recommendation listed. Before you jump in, please read this important disclosure:

*The list below includes affiliate links, which means by clicking on one of these links and making a purchase, I will earn a commission at no additional cost to you. My experience with these tools, products and services are something that I value because I found them personally helpful in my debt free journey, and I hope you do, too. Please do not purchase something unless you feel they will help you achieve kickass ninja money status.*

## TOOLS

### **Debt Free Millennials YouTube Channel**

Learn how to pay off student loans, control your spending, conquer your biggest (and bad ass-iest) financial goals, and much more.

**<https://www.youtube.com/debtfreemillennials>**

### **Budget Bootcamp**

Budget Bootcamp is a one-on-one private monthly financial coaching session that is focused on you and your life. I help you organize your personal finances, including how to set up your budget, create realistic financial goals, and pay off your debt effectively.

**<https://debtfreemillennials.com/budget-bootcamp/>**

### **Gabi**

Shopping for the best car insurance rate was really daunting for me. Once I figured out the right coverage I needed, I uploaded my policy into Gabi and they told me what was a good rate for me. So much easier than contacting insurance companies individually!

**<http://bit.ly/dfm-gabi>**

## **Personal Capital**

I primarily use Personal Capital to track my net worth. It is really cool to see my trends in spending and saving. Plus, you can upload all of your financial accounts to one platform!

[\*https://www.personalcapital.com/financial-software\*](https://www.personalcapital.com/financial-software)

## **Survey Junkie**

Make quick cash taking online surveys with Survey Junkie. While you may not be able to bring in hundreds of dollars each month, you can easily support your coffee addiction.

[\*https://bit.ly/dfmsurveyjunkie\*](https://bit.ly/dfmsurveyjunkie)

## **Budgeting for Baby Course by Marissa Lyda**

My friend Marissa Lyda created a simple course to help you learn how much you can expect to spend on different expenses related to having a baby, how you can save money on these costs, and how you can budget and plan for this exciting season. I personally loved the health insurance section and how to prioritize my baby spending.

[\*https://bit.ly/DFM-budgetforbaby\*](https://bit.ly/DFM-budgetforbaby)

## **How to Build Wealth by Investing in Index Funds Course by the Personal Finance Club**

My friend Jeremy Schneider has a net worth of over \$4 million simply by investing in index funds. In his course, you will learn how the stock market works, what to invest in, and how to open an account to build wealth with index funds. It's simple, actionable, and one of the best investing classes I have ever taken.

[\*https://courses.personalfinanceclub.com/?ref=6056e3\*](https://courses.personalfinanceclub.com/?ref=6056e3)

## **BOOKS**

### **Think and Grow Rich by Napoleon Hill**

This book has actionable steps at the end of each chapter to help you achieve whatever you want in life. My mind was seriously blown at how good I became at setting out plans for my desires.

[\*https://amzn.to/2CW51V2\*](https://amzn.to/2CW51V2)

## **The Little Common Sense Book of Investing by John C. Bogle**

Hands down, the best book on investing I have ever read. Bogle keeps the language simple and the book is only 216 pages.

[\*https://amzn.to/2FkQNij\*](https://amzn.to/2FkQNij)

## **The Simple Path to Wealth by JL Collins**

Highly entertaining and easy to read, I found that JL had simple concepts to help me achieve financial independence using index funds. This book throws complicated retirement paths out the door and gives you a simple path to follow.

[\*https://amzn.to/2LqA7bx\*](https://amzn.to/2LqA7bx)

## **MY LIFE IS INFINITELY BETTER BECAUSE OF...**

### **Madison Reed At-Home Hair Color Kit**

There was a time when I spent \$200 on hair color at the salon. Not. Any. More. I tested Madison Reed and loved the results. I won't use anything else. Get \$15 off your first order!

[\*https://madison-reed.sjv.io/dfm\*](https://madison-reed.sjv.io/dfm)

### **Fetch Rewards**

Fetch is the quickest and easiest way to save when you grocery shop. There's no clipping coupons. Scan your grocery receipts, earn points, and redeem those points for gift cards. It doesn't take a lot of time out of my day and I stockpile my points to use them for gift cards for next Christmas.

Use code WR367 to get an additional 2,000 points. Note: 2,000 points = \$2

[\*https://fetchrewards.onelink.me/vvv3/referraltext?code=WR367\*](https://fetchrewards.onelink.me/vvv3/referraltext?code=WR367)