

# Looking at the Line Items Exercise

Take 30 minutes to sit down and review the expenses you've tracked so far by working through the following steps.

*Note: Most digital money management tools will automatically complete some of these steps. Hooray! Your work is partially done. But remember the warning from last session's video: "Knowing you can know is not the same as knowing." Take time to actually review your spending by category and work through steps 3 and 4 below.*

**1 | Categorize every expense.**

Come up with your own categories (e.g., housing, transportation, entertainment, savings), and then group your expenses in order to get a high-level look at where your money has gone.

**2 | Break down the big expenses.**

Include monthly and/or annual expenses (e.g., rent or car insurance premiums) that may not have come up since you started tracking. Break down these big expenses into weekly or monthly portions.

**3 | Calculate your current percentages.**

Figure out the percentages of your income you're currently giving, saving, and living on. Are these numbers what you would have guessed? Which (if any) do you want to change?

**4 | Look for leaks.**

You identified four spending priorities. How well do the things you're actually spending money on match up with the things you wish you could spend money on? Look for places where your money may be "leaking"—where you're spending it on things you don't really value.

**5 | If you're feeling like an overachiever: Go way back.**

Bonus points if you dig up and look at your spending records for the past month or two. Reviewing a longer period of time gives you a more accurate sense of where your money has truly been going.



**Let's do this again sometime.** Build a 30-minute review of recent expenses into your weekly or monthly routine. When would be the most convenient time to do this? Put it on your calendar now to start establishing this helpful habit.