

# Personal Finance Expense Log Student Instructions

In personal finance, people often do not realize where all their money is going. This assignment is designed for you to track exactly where your money is going which should help you gain a sense of the areas in which you are spending most of your money.

For this assignment, you will need to track all your expenditures for a one-month period (your instructor may have specific dates). To do this, save the receipts for ALL your purchases and enter them into a notebook (a small pocket notebook, 3 by 5 inches, will do). You may want to carry this notebook with you at all times to track expenses, as some are easily missed (e.g., vending machines do not give receipts, or a gas receipt might not print at the pump).

In your notebook, log the date, the item description, and the cost. Next to these, categorize the item into one of four categories: **necessities**, **discretionary**, **outright luxuries**, or **waste**. Finally, label this purchase with either a *P* (for a planned purchase) or an *I* (for an impulse buy). A planned purchase is one you intended to make. An impulse buy is a purchase you had not intended to make. If it wasn't on your shopping list, it most likely was an impulse buy.

As for the four categories, note that these are largely subjective. For example, although all of your utility bills for the month might be necessities, it may be that your food items were not. Yes, eating is a necessity, but you may grab a candy bar from a snack machine and decide it was a luxury. In another instance, that candy bar may be a necessity or a waste. The same is true of your weekend outings. Alcohol might be categorized in each of the four labels (necessities, discretionary, outright luxuries, and waste) during your month of spending depending on when and how you purchased it.

At the end of the assignment, you will have two parts to complete: an Excel spreadsheet and a written evaluation.

## Excel Spreadsheet

The following are to be included:

- Take all the purchases logged in your notebook and enter these into an Excel spreadsheet, color-coded by category (green = necessities, yellow = discretionary, red = outright luxuries, and black = waste).
- Include the date, the item description, and the cost.
- In a separate column, include whether the item was an impulse buy (I) or planned purchase (P).
- Total the amount spent in *each* of the four categories.
- Total the amount spent on impulse buys and planned purchases.

1 From G. Fried, T. DeSchrive, and M. Mondello, 2020, *Sport Finance Web Resource*, 4th ed. (Champaign, IL: Human Kinetics).

- Include a pie chart showing the expenses in the four categories.
- Include a pie chart showing the impulse buys versus planned purchases.

**ALL RECEIPTS SHOULD BE STAPLED TO THE BACK OF THE LOG** (if you need a particular receipt for your own records, attach a photocopy). **IF RECEIPTS ARE NOT INCLUDED, THE EXCEL SPREADSHEET WILL BE SCORED AS 0.** It happens that some receipts will be lost or unavailable, but at least 80% of the receipts should be there.

Keeping a small flip notebook may come in handy. For times when you forget a receipt or simply are not given one, you could write it in this notebook. The instructor may also require the notebook to be turned in.

A sample expense log spreadsheet has been provided with the student web resource for your use. You can use this sample to build your own spreadsheet.

## Written Evaluation

Write a two-page analysis (12 point, Times New Roman, double-spaced) of your spending for the month. (Note: Write 3 or 4 pages and then edit it down so that the result is a concise two-page paper.)

Include all of the following:

- Rate yourself from 1 to 10 (1 being poor, 10 being excellent) on your spending habits, and provide a description of how poor or excellent your spending habits are.
- Analyze how much you spent on each of the four categories: necessities, discretionary, outright luxuries, and waste. Which category makes up the most? The least? Why might that be so?
- Identify where and when you seem to spend the most money. What are the places or types of purchases? What times of the month or days of the week do you spend more? When do you spend less? Why?
- Analyze how much money is planned to be spent as opposed to impulse purchasing. What percentage of purchases are planned? Impulse?
- What does your vacation spending look like? (Note: This assignment is designed to specifically include your spring break party binges, so while you're getting drunk in Mazatlan, keep track of the amount spent to raise your spirits.)
- Finally, how can you improve your spending habits?

Note: All six of these areas **MUST** be covered, but add personal commentary and evaluation where appropriate (still keeping yourself within the two-page limit). It is, after all, your personal assessment of and reaction to your spending choices.