

## **Audit Your Saving and Spending**

Mid-year is a great time to conduct an inventory of how your investments are performing.

It is also important in our current economy to manage both your income and your expenditures.

Start by developing a budget for each month that includes all of your income sources as well as all of your expenses. After following your budget for a month or two, you may be surprised at the opportunities for saving.

If you write checks, your checkbook is a good tool for reviewing where your money goes each month. Your credit union statement is another good source to utilize when examining your deposits and withdrawals. Develop an understanding of where your income goes and look for ways to reduce expenses when possible. Money management works best if you don't allow spending to get out of hand. If you can curb expenses throughout the month, you'll also be able to set aside any surplus you may have into a separate savings account.

You know your budgeting skills are developing when you begin to see a growing surplus on the saving side of your ledger at the end of the month. Cutting costs can be as simple as running your home utilities more efficiently or even using coupons for food and other services. Sometimes spending money can also help you save money. For instance, keeping up on the maintenance of your car can save you a lot of money in the long run. By keeping your car properly tuned, you'll save money on gas every year.

Throughout the year, it's also a good idea to save any documents that would substantiate tax offsets when you begin to prepare your income tax return. Remember to include receipts from gifts to churches and charities.

Take some time to carefully check your investments, or savings accounts, and be sure you are managing them properly. Be aware of how your 401(k) is performing. When you receive your investment statements, file them in a place where you can easily locate them to review their performance. If you don't understand some of the account activity, make sure to call your investment advisor for more information.

If you wish to discuss the results of your money management efforts, you might find the professional advice of someone in the FORUM Private Client Group helpful. You can reach them at 317.558.6322.

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