

## More than one way to track where all your money is going

### Electronic accounts can be earmarked for basic spending and other draws on money

**Gillian Shaw**

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If the global financial meltdown has you counting your pennies, there is no shortage of ways to track your finances digitally.

From the tools offered by financial institutions to software that will add up your every cup of coffee, there's a solution to that pesky problem of wondering just where your money went.

Today we look at a few possibilities to help you find a better way to track your finances.

My favourite: The old system of divvying up your money into envelopes as a discipline to stop you from blowing your grocery money on booze or your clothing allowance on video games, only updated in today's digitized version.

Thanks to online banking, those envelopes holding cash have been replaced by electronic accounts that you can earmark for all your spending, from the mortgage, to car insurance, to your fitness club membership and all the other draws on your money.

It's the route money coach Sheila Walkington recommends to clients, many of whom arrive in her office with detailed charts of their spending gleaned from personal finance software, but with no idea on how to rein in spending.

"To me it is a better way of staying accountable," said Walkington, co-founder of the Women's Financial Learning Centre and financial planner who turned to money coaching with her company, online at [www.moneyreallymatters.ca](http://www.moneyreallymatters.ca). "When you use financial software to track your spending you can say, 'Okay, I budgeted \$600 for groceries but I spent \$785.'

"The software doesn't stop you from spending the extra \$185 but if you have a grocery account, when the money is gone you are forced to stop spending -- or you have to make a decision about whether or not you'll take the money from some other category.

"Will you spend less on clothes to pay for the extra money you spent on groceries?"

Financial institutions have various offerings that enable clients to divvy up their funds, but one is the Royal Bank's eSavings accounts. Money gets directed into different accounts, all nicknamed according to their purpose.

RBC's eSavings accounts come with a \$5-per-use fee if you try to do anything more than transfer your money electronically to another RBC account in the same name, which works as a deterrent to plundering your auto insurance savings for quick cash for a night out.

Briana Tomkinson doesn't need the electronic equivalent of budgeting envelopes because she has the discipline to keep her spending in line with her budget.

She uses AceMoney (at [www.mechcad.net](http://www.mechcad.net)) to track her spending and she has fine-tuned it to the point she can instantly find out how much she has spent in the categories that matter to her.

"I tried a number of different software options and I tried a trial of Quicken, but I found it was over-complicating things for me," said Tomkinson, mother of an 18-month-old and social media strategist and account manager at Fjord Interactive. "I tried out AceMoney and it's not perfect either, but the price was really cheap and I found it fine for doing the spending tracking I wanted.



CREDIT: Jenelle Schneider, Vancouver Sun

Briana Tomkinson says her electronic bookkeeping system lets her see her financial picture instantly. With 18-month-old son Wesley helping, she uses AceMoney at her home in New Westminster.

"I have a way of thinking about my finances that makes sense to me," said Tomkinson, who divvies up her food spending into eating out and groceries with a separate tracking for booze so it can't hide under entertainment.

Quicken, at [www.quicken.intuit.ca](http://www.quicken.intuit.ca), is widely used personal finance software and the 2009 version builds on an array of features that lets users budget, track spending, follow multiple accounts, track investments and churn out charts and graphs that paint a picture of their finances.

It's simple to synchronize the software to your accounts.

"Making online banking more powerful is one of the biggest things that Quicken does," said Meg Rosgen product manager for Quicken.

For people who are trying to follow a budget, Rosgen said a Quicken tool called savings plan lets users decide how much they will allocate to each category every month and the software will let them know how they are doing against their goals.

Most sobering, perhaps, for spendaholics is the cash-flow screen that can act as a dose of reality if you are trying to convince yourself that your spending isn't out of line with what you make.

[gshaw@vancouverersun.com](mailto:gshaw@vancouverersun.com)

ONLINE: Read Gillian Shaw's blog at [vancouverersun.com/digitallife](http://vancouverersun.com/digitallife)

#### GET A DIGITAL GRIP ON YOUR FINANCES

- If you're not already banking online -- and I know there is at least one of you out there -- sign up and make sure your financial institution lets you keep track of your accounts at other institutions as well.

- If you are new to online banking, make sure your computer and Internet connection is secure. This is not the time to let your anti-virus software lag or leave your wireless online connection unprotected.

- Make an honest assessment of your income and spending and allocate your funds accordingly, using either e-accounts or personal finance software categories.

- Personal finance software ranges from free to paid versions with annual updates that will add to the cost. Most synchronize with online accounts at financial institutions. Check out Quicken, Microsoft Money, Simply Accounting, AceMoney, or spreadsheet programs like Excel. Some have a try-before-you-buy option. Try them out and see which works best for you.

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