SMART MONEY

BIG LITTLE WINS

Small financial victories that are worth celebrating—and how to achieve them

BY CHERYL LOCK

HAVE YOU EVER paid off a student loan or a mortgage or reached a big savings goal and patiently waited for confetti to shoot out of your computer? Why doesn't that happen? It should! That would be the fanfare you deserve. In fact, we'd argue that tiny pieces of colorful paper should be fluttering around you at all times (don't worry, it's recycled and compostable in this hypothetical). Because chances are, you're consistently achieving less major—but no less important—financial wins.

Think of a small win as any minor positive action that helps propel you toward a larger goal. In other words, as the baby steps that add up to a mile, says Delyanne Barros, a financial expert and the founder of the Money Coach, an investing education platform. These baby steps might be a monthly retirement deposit, a contribution to your kid's 529 account, or a little more money in a vacay fund. Quotidian moves really do make a difference over time. "People usually overestimate how much they can accomplish in a year and underestimate how much they can accomplish in 10 years," Barros says. "Big changes happen in small increments that compound over time." (Heh. Quite literally, when you're talking about an interest-earning account.)

We asked experts for advice on logging those lowercase *w*'s. Here's to making a bigger deal out of the small stuff. Confetti is optional but, of course, highly recommended.

PROP STYLING BY ASTRID CHASTKA

Photograph by Ted Cavanaugh

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THE WIN

Staying Within Budget This Month

A budget is the most important piece of the financial planning puzzle. "You can't do anything without it," says Cary Carbonaro, a certified financial planner (CFP) and ambassador for the Certified Financial Planner Board of Standards, which sets and enforces requirements for the CFP certification. "That includes saving, investing, hitting your goals, and understanding what is coming in and out. If you don't have a budget, I can guarantee you're overspending." That said, sticking to a budget can be hard if you're too strict about it. Budgeting, like most things, is all about balance.

HOW TO GET THE WIN First, look at your spending. "Don't go off memory. Do some actual tracking," Barros says. Otherwise, if you love, say, going out to eat, you'll underestimate how much you spend on those meals because you don't want to tell yourself to stop, she explains. "Go back a few months through your bank accounts and credit card statements. Tally expenses—groceries, restaurants, gas, bills, clothes, etc.—in a simple spreadsheet."

With an understanding of where your money goes, she says, you can start "reverse budgeting," a popular method that calls for putting funds in savings before any recreational spending can happen. Barros likes this method because you're not stuck tracking every single penny. And it can help you feel less guilty about making small splurges. (Yay! And phew!)

To do a reverse budget, add up what you typically spend each month on fixed expenses (mortgage, utilities, and so on). Then make some financial goals—adding a certain amount to your savings each month, for example. Whatever is left after expenses and goals can go to the fun stuff. Like those nice Friday night dinners.

THE WIN

Maximizing a Pay Increase

Cost-of-living raises tend to be 2% to 3% these days, Barros says. Such an incremental amount may be easy to forget about—and, in turn, burn through. Financial pros call this "lifestyle creep." But incremental increases are "exactly how money adds up," Barros says. Consider: If you earn a 2% raise on a $100,000 salary—or $2,000 a year—and put that amount in an investment account that already has $50,000, you could have over $125,000 in the account in 10 years, assuming an average 7% rate of return.

HOW TO GET THE WIN Barros tells her clients to change the contribution on any retirement accounts to match the amount of their raise. "This way, you don't even have the temptation of lifestyle creep to deal with," she says. If relinquishing your entire raise or bonus to savings or investing feels restrictive, split the difference, says Ally Jane Ayers, CFP, cofounder of Brooklyn Fi, a financial planning firm in Brooklyn, New York. "Your financial choices don't have to be all or nothing," she says. Instead of investing your whole raise, just transfer a small percentage to a high-yield savings account. That's more than you were saving before, and it'll earn decent interest. Plus, establishing that habit now can make it easier to repeat when you get your next bump.

Now, let's say your raise is significant. Nice job, killer! Take a beat. "One of the biggest life hacks I tell people is: Whenever you get any kind of pay bump or bonus, commit to maintaining your same lifestyle for one to two years before upgrading," Barros says. "I would never tell someone not to *ever* consider moving to a nicer place or getting a nicer car, because we all want nice things. Just don't build up your life so quickly that you get used to it and leave out other goals, like investing for the future."

THE WIN

Negotiating a Bill or Expense

Scoring a better rate on your insurance premium, internet plan, or credit card interest may seem trivial. It's not! It's a great confidence booster and a direct way to save money, says Simran Kaur, founder of the investment education platform Girls That Invest. "The process also teaches you the value of advocating for yourself and keeps you engaged with your finances," she says.

HOW TO GET THE WIN Kaur suggests a relatively simple multistep approach. First, do your research. "Before making the call, gather information about competitive rates for similar services," she says. "Being informed gives you leverage and confidence when negotiating." Next, approach the conversation with a friendly yet assertive tone. "State your case clearly, whether it's asking for a loyalty discount or matching a competitor's price," Kaur says. If necessary, use the magic words: "Mention that you're considering switching providers. It will often lead to imme-

diate offers or discounts to keep your business," Kaur explains. If you get pushback, politely ask for a manager or someone in the retention department who may have more negotiation power. Finally, make it a routine. "Set a reminder to revisit and renegotiate recurring expenses annually," Kaur says. "Many companies introduce price increases over time, and staying proactive ensures you're always getting the best deal."

THE WIN
Reviewing Your Subscriptions

U.S. consumers pay an average of almost $1,100 each year—about $91 per month—on subscription services, according to a 2024 survey conducted by CNET, an online publication that reports on tech. What's more, a 2022 study from C+R Research found that 74% of consumers said it was easy to forget about recurring monthly subscription charges, while 42% admitted they had stopped using a subscription service but were still paying for it. Even Carbonaro says she's guilty of a scenario like this. "If it's happening to me, it's happening to other people."

HOW TO GET THE WIN Carbonaro recommends using an app that shows you what subscriptions you're paying for. For example, Rocket Money neatly compiles the transactions you have linked to your credit card or checking account so you can cancel unwanted services. Experian, the credit reporting company, offers a similar feature. Just be sure you aren't replacing your monthly Hulu fee with a fee from a subscription-canceling app! "The ones I've seen have been free, with upgrade possibilities," Carbonaro says. "So be on the lookout for upcharges."

You can use calendar reminders here too. If you sign up for a subscription with a 30-day free trial, make a note to do a gut check at day 25. Are you using the service? Is it worth that $80 bill coming your way? If you answer no to either question, cancel it now. As for any autoship subscriptions—like dog treats or razor blades—the time to cancel or postpone is when a shipment comes in and it's top of mind.

THE WIN
Avoiding an Impulse Purchase

You want that pricey new raincoat. But do you *need* that pricey new raincoat? Resist one impulse purchase and it'll be easier to resist another one down the road, Carbonaro says. "It creates that consciousness of thinking before you spend," she adds. Not only will you save money (by not spending it), you'll have less stuff cluttering up your home.

HOW TO GET THE WIN Wait at least 24 hours before making an impulse buy, Carbonaro recommends. "If I want something—especially if it's expensive—I go home and sleep on it. If I wake up thinking about the item, I'll get it. But 99% of the time, I forget I even wanted it."

If that's not working for you, or if you just *really* feel like you deserve a little treat, ask yourself if you can find a substitute for the pleasure you're seeking. For example, you might create a "new" outfit by pairing clothes you already own in a different way. Or maybe you can treat yourself to a raincoat that's slightly less spendy.

Whatever the victory, display your small win somewhere visible—like on a sticky note posted on your bedroom mirror. "Seeing your progress helps build momentum toward your next big—or small!—goal," Carbonaro says. These little victories encourage you to keep developing the winning habits for financial success. And that calls for celebration. Maybe even some cake! ■

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