

JUST THE FACTS: HELPING YOU TALK ABOUT MONEY

Personal Budgets

A budget is a plan that starts with where you are and sets out a path toward a financial goal.

To calculate your budget, start by determining your expenses.

- Different types of expenses include:
 - Fixed must be paid regularly (e.g. rent, mortgages, car payments).
 - Variable adjusted each month (e.g. food, utilities).
 - Discretionary depends on your decisions (e.g. entertainment, dining, gifts, clothing).
 - Periodic come up occasionally (e.g. property taxes, car registration).
 - Contingency unexpected (e.g. car repairs).
 - Savings money dedicated for future use, not just what is left over after other expenses.
- Once you know what you are spending, you can determine where reductions are possible money that can be earmarked for your goal.

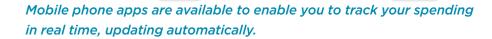
Writing down your expenses will make them easier to follow and improve your accountability.

- Keeping receipts even from small purchases such as coffee - will help you track your spending.
- Creating a spreadsheet (inputting credit card bills, bank account statements and other spending) will show you exactly
- where your money is going.
 Taking the total and averaging it out over 12 months will give you your typical monthly spending and enable you to better control it.
- The <u>www.canada.ca</u> website has spreadsheet templates for personal budgeting.





- Specific you need to know exactly what you are aiming for, such as a major purchase or travel.
- Measurable what is the total cost?
- Attainable it has to be achievable within your means.
- Realistic there has to be a clear path to success.
- Timeframe you should determine how long it will take.



LEARN MORE AT cpacanada.ca/justthefacts

Looking to better understand money basics and how they apply to you? You may also be interested in taking our <u>Financial Wellness Guide questionnaire</u>.