

#### 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.

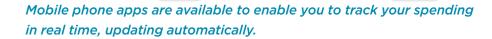
## Writing down your expenses will make them easier to follow and improve your accountability.

- 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>.