

If you want to save money it's clear that you must spend less than what you make.

Good saving habits can help you get ahead and stay ahead.

PLAN

To Stretch Your Budget.



Where does it go? Assess your cash flow by completing the handy worksheet on the back of this page. Go through your cheque book and bills from the last three months and track your expenses.

Find your disappearing cash. Since cash can be the most difficult component of your budget to track, develop the habit of saving receipts and writing down your expenditures. Then at the end of the month, categorize them to add to your cheque register.

Do the math. Subtract your expenses from your income. If your expenses are greater than your income, cutting back is needed. If you have some money left at the end of the month, transfer it to your savings account. Doing this on a consistent basis is the best way to build up your nest egg.

Trim the fat. After you have an idea of how much you spend in each category, see if there are any places where you can cut your spending.

Make savings automatic. The best way to build your savings is to make sure you pay yourself first. If you have a retirement pension fund at work, take advantage of it by depositing money every paycheque no matter how small the amount. Another way to save is by setting aside part of your salary to go to your savings account. Most banks will set up regular transfers for you, such as having a fixed sum automatically transferred from your chequing to your savings account each pay period.

Go easy on yourself. Having a budget is supposed to be a helpful tool, not something that squeezes you into an unrealistic regimen. When compartmentalizing your spending, don't forget a category for your hobbies and interests.



There are plenty of painless (and fun) ways to save money.

1. Cut and use store coupons.
2. Pack your lunch.
3. Use a clothesline.
4. Raise the insurance deductible on old cars.
5. Change your car's oil often to help avoid costly, unexpected repairs.
6. Cook large batches and freeze the excess food.
7. Buy produce in season.
8. Plan menus according to what's on sale at the grocery store.
9. Buy generic drugs, shampoo and dishwasher soap.
10. Ask for discounts when you pay cash.
11. Find out when museums are open at no charge.
12. Buy next year's Christmas cards and wrapping on December 26.
13. Travel off-season.
14. Group your errands to save gas.
15. Carpool if possible.
16. Plan ahead—buy gifts when they are on sale.
17. Don't buy clothes that need dry cleaning.
18. Get your next hair cut or massage at an instructional school.
19. Quit the gym if you don't go.
20. Welcome hand-me-downs.
21. Save online at websites that specialize in overstocked items.
22. Shop flea markets and garage sales.

Dining Out Can Take a Big Bite Out of Your Budget.

Most families spend more than half of their food budget on dining out. Sure, it's fun to dine out on occasion, but if you can cut back on dining out, it's an easy way to save money. If you dine out for convenience reasons, there are other ways to eat and save time. Have ready-to-cook, microwaveable foods stashed in the freezer. Lasagna in 15 minutes, burritos in two. Or master the crockpot. Come home to a crockpot of spaghetti, chili or ribs and you're ready to eat in minutes.



Budget Worksheet

Track your expenses for a few months.
Remember that it is important to track each category.
Subtract expenses from income to see what you can put in savings or investments, or where you need to cut back.



Make copies of this budgeting worksheet for future use.

MONTHLY BUDGET	
INCOME	TOTAL
Income:	
Wages (Gross)	
Interest Income	
Investment Income	
Misc.	
TOTAL INCOME:	

EXPENSES	MONTHLY BUDGET	ACTUAL	EXPENSES	MONTHLY BUDGET	ACTUAL
Home:			Debt:		
Mortgage/Rent			Credit Cards		
Homeowners/Renters Insurance			Student Loans		
Property Taxes			Other		
Repairs/HOA			Entertainment/Recreation:		
Home Improvements			Cable TV/Videos/Movies		
Utilities:			Computer		
Electricity			Hobbies		
Water & Sewer			Subscriptions		
Natural Gas			Vacations		
Telephone			Pets:		
Food:			Food/Grooming		
Groceries			Vet/Boarding		
Dining Out			Clothing:		
Family Obligations:			Investments & Savings:		
Support/Alimony			RRSP		
Day Care			Stocks/Bonds/Mutual Funds		
Medical:			College Funds		
Insurance			Savings		
Un-reimbursed Medical			Emergency Fund		
Transportation:			Miscellaneous:		
Car Payments			Toiletries/Household		
Gas			Gifts/Donations		
Auto Repairs/Fees			Grooming		
Insurance			Miscellaneous		
Other/Tolls			Other:		
EXPENSES SUBTOTAL:			EXPENSES SUBTOTAL:		
FROM SECTION ABOVE--TOTAL INCOME:					

Planning and adhering to a realistic monthly budget will enable you and your family to reach their long-term goals.

TOTAL EXPENSES:

DIFFERENCE (to be applied to savings account or investments):

