

# WOODGREEN FINANCIAL EMPOWERMENT SERVICES

## BUDGETING BASICS

### What is a budget? (FCAC, 2016)

- A written document or electronic file that lists all of your money coming in and money being spent
- Helps you see more clearly how much money you receive, and how much you spend and save
- Helps you find ways to get rid of your debts, reduce costs and have more money for things that are *really* important to you

### Options and Tools for making a budget

- **Paper, pencil and calculator:** the simplest method
- **Budget on a computer:** some people prefer to type their budget using computer programs like MS Excel. You can download free Excel-based budgeting worksheets from a variety of reputable sources (e.g. [www.fcac.gc.ca](http://www.fcac.gc.ca))
- **Use online software and apps:** there are many programs you can find online that offer convenient features (like automatic expense tracking through your bank account). Be sure that you understand any fees before using one of these programs

### Easy as 1-2-3!

1. Identify and list all income sources
2. Identify and list all expenses
3. Evaluate budget: Does it “balance”



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## Income Sources

- Be sure that you include all of your income sources, including:
  - Employment income (pay cheque, tips, commissions)
  - Social assistance
  - Retirement pensions & benefits
  - Tax refunds or benefits (Child Tax Benefit, Trillium Benefit, GST Credit)
  - Student loans, withdrawals from savings/investments, child support or alimony, money from family/friends
- If you receive a payment on an irregular schedule (e.g. the GST credit arrives every 3 months), divide it into a monthly amount to include it in your monthly budget

## Expenses

- Be sure that you include all of your expenses, including:
  - Fixed expenses: rent/mortgage, hydro, phone/internet, childcare, transportation costs, debt repayment
  - Variable expenses: food, clothes, hygiene items, entertainment, eating out, gifts
- If you have seasonal or irregular expenses (e.g. special events or gifts), divide it into a monthly amount to include it in your monthly budget

## Evaluating your budget: ask yourself:

- Does your budget “balance”?
  - Does your monthly income match (or exceed) your expenses? If not, you will go into debt. The only way to balance it is by increasing your income or decreasing your expenses
- Is it realistic?
  - It’s easy to create a budget for how we wish we spent our money, but it’s not going to help you unless it’s accurate
  - **Expense tracking:** keep track of every dollar you spend (keep receipts, check your bank statements, use a tracking journal) and include all expenses in your budget
- How do you feel about where you are spending your money? Are you moving towards your financial goals?

## Remember:

Each budget is personal and only you can decide how you want to spend your money!

For help with budgeting or other financial issues, contact:

**WoodGreen Financial Empowerment Services**

[fw@woodgreen.org](mailto:fw@woodgreen.org) or 416-645-6000 xt. 1330



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