

SIMPLE STEPS to BUDGETING

- Have a simple budgeting tool to help. Start with a pencil and paper and write down your income and expenses. Once you have mastered this manual budget, you can use Excel to complete an electronic budget.

monthly budget

month: _____

total income: _____

mortgage/rent:	_____	actual amount spent:	_____
car payment:	_____	_____	_____
insurance:	_____	_____	_____
utilities:	_____	_____	_____
phone:	_____	_____	_____
groceries:	_____	_____	_____
cable/internet:	_____	_____	_____
gas:	_____	_____	_____
debt:	_____	_____	_____
donations:	_____	_____	_____
savings:	_____	_____	_____
entertainment:	_____	_____	_____
other:	_____	_____	_____

total expenses: _____

over/under: _____

- Be Realistic. Your assumptions must fit with your reality. Avoid making drastic changes that will doom your budget from the onset.



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- Have support from at least one other person. If you are in a relationship have your partner contribute and make your goals collective.



- Set some very short term goals that can be easily achieved if you stay on budget. For example, treat yourself to a dinner or buy specialty food items but only if you are within budget at the end of the month.
- Don't be afraid to adjust your budget. Even radical adjustments may be necessary.



<http://www.thesimpledollar.com/preparing-a-budget-ten-tips-for-making-that-budget-successful/>

PUBLIC SERVICE PENSION FUND

Tips to ensure Financial Health



BUDGETING INFORMATION BOOKLET

BUDGETING

What is a Budget? - A budget is a list of all income compared to all expenses for a specific period of time. A budget can be balanced, have a surplus or deficit. If income equals expenses then your budget is balanced; if expenses exceed income then your budget has a deficit; if income exceeds expenses your budget has a surplus. Budgets can be adjusted to suit a particular goal.



Why Budget?

The reason for budgeting is to help you spend less than you earn. It's not a solution itself, but guidance towards being able to effectively and naturally spend less than you earn. If you are averse to budgeting, think of it as personal financial planning. Through planning you can proactively manage your money and have a realistic picture of what you can afford. Financial freedom is a powerful and beautiful thing.



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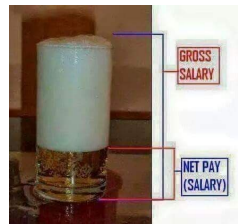
1. Know why you are Budgeting - do it because it will assist you with honestly evaluating your financial position.



2. Have a specific, concrete, long-term goal in mind – for example, building a house, paying off debt, saving for college.



3. Know how much you actually make - this means knowing your net or take home salary **NOT** your gross salary



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4. Have some accurate data – keep a record or receipt of your monthly and yearly bills. This will help you to have an accurate check of your expenses. Ask for a monthly pay slip to evaluate income.



5. Have chequing and savings accounts that are useful. If necessary open one of each. Use your chequing account to pay bills and use your savings for savings only. Banks now Offer automatic bill payments at no cost, and you can set up monthly automatic transfer from chequing to savings accounts.

