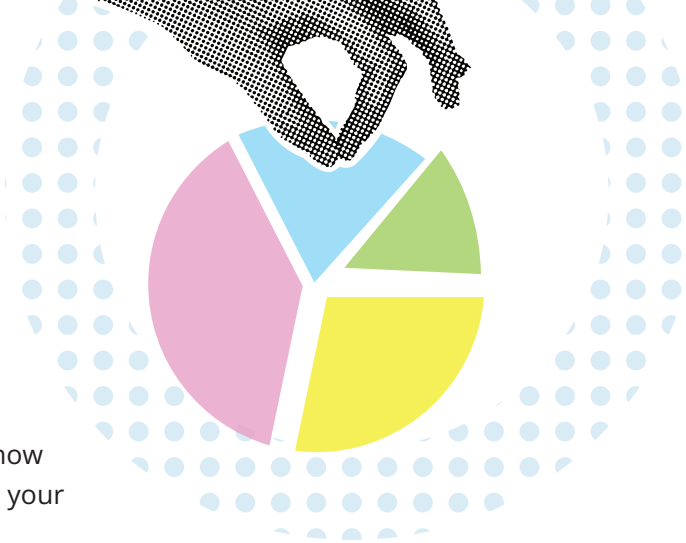
BUDGETING

Budgeting can be intimidating if you've never done it before, but with the right knowledge and tools you can reach your financial goals!



A budget is a plan for the money you expect to receive and spend over a set amount of time. To start creating your budget, look at how you are spending your money and decide how you want to spend your money going forward.

TO DETERMINE WHERE YOU HAVE BEEN SPENDING YOUR MONEY, FOLLOW THESE STEPS:

1 REVIEW YOUR SPENDING:

• Check your bank statements. You can find them quickly in online banking.

• If you use more than one bank account or a credit card, review every statement and compare your spending over the same period of time.

• If you mostly pay with cash, keep all your receipts so you can track what you bought.

• Look at your spending for the last 3 months. This makes it easier to spot habits and patterns.

2 GIVE EACH SPENDING CATEGORY A DIFFERENT COLOUR:

For example:

yellow = food (groceries, snacks or restaurants)

blue = transportation (gas, bus fare or rides)

pink = bills, subscriptions or phone costs

green = entertainment and fun

If you mostly use cash, label an envelope for each spending category and sort your receipts into the right one.

3 CHOOSE A CATEGORY, START HIGHLIGHTING, THEN REPEAT:

Go through each transaction on your statement and highlight anything that belongs in that category. Use a different colour for each category. When you are done, every transaction should be highlighted. If you are using cash, make sure every receipt is in an envelope.

4 PICK THE CATEGORY AND ADD UP ALL THE TRANSACTIONS, THEN REPEAT:

Add up all the transactions highlighted in the same colour—or all the receipts in the same envelope. This gives you the total spent in that category. Repeat for every category to see where your money went during that time.

5 REVIEW YOUR TOTALS AND CREATE GOALS FOR EACH CATEGORY:

Your totals show how much you actually spend in each category. Did anything surprise you? Where could you spend less? Use what you learned to set realistic spending goals. You will use this information on the 'expense' lines of your budget *(Steps 2 and 3 on the Zero Based Budget Template).*

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