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# stretch your dollars

**BUDGETING BASICS**

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CREDIT COUNSELLING - MONEY COACHING - FINANCIAL LITERACY



# stretch your dollars

## BUDGETING BASICS

moneymentors.ca

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Money is a big part of our lives. How we earn money and how we spend money has changed a lot over the past decade. How can you deal with these changes? Would you like to get as much as possible from each dollar you have? This workbook offers suggestions on how to budget and how to cut your expenses, boost your income and access useful information, services and programs.

Each section is filled with tips and tales from people who have gone through a variety of financial challenges and want to share what has worked for them.

Whether your job has changed or your income has gone up or down, this workbook will give you some ideas on how to move forward.

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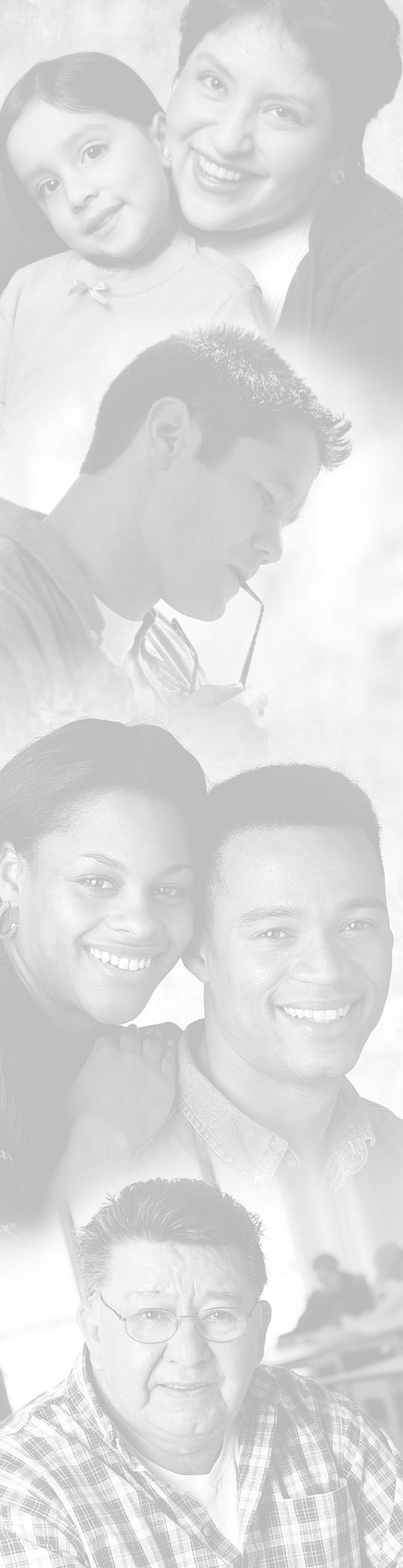
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# Budgeting Basics

## What's a budget?

***A budget is a spending plan or process that helps you***

- pay living expenses
- pay off debts
- decide what you can afford
- save toward your financial goals
- have money for the things you want to do

In other words, a budget helps you to get as much as possible from each dollar.

A budget puts you in the driver's seat. It's not a rigid set of rules. It's a tool that you design to give yourself flexibility and choice about how you use your money.

## What is your financial goal?

***Before you create a budget, you need to know what you want to achieve.*** It's a lot easier to budget if you know why you're doing it. This is your goal. Goals are the specific plans or purposes you have in life that grow from your values.

What is your financial goal?

- Would you like to have some money left at the end of the month?
- Do you need to pay off a loan?
- Do you want to take a vacation?

Deciding on your financial goal is the first step in taking control of your money.

Goals can be short, medium or long term. They should reflect what YOU want. Maybe you'd like to be able to afford a family treat every so often. Maybe you'd like to visit relatives in

another community. Perhaps you'd like to go back to school, so you want to put some money aside. Maybe you'd like to have an emergency fund to take the pressure off when something unexpected happens.

In order to set a goal, you'll want to ask yourself some other questions. For example, suppose you want to have \$400 in a year to buy a tablet. Ask yourself these questions:

- How much can I afford to save per week, per month or per paycheck?
- How long will I have to save?
- If I make this purchase will there be additional costs, such as money to buy apps or accessories?

Use *My Financial Goals Worksheet* to help you create your own financial goals. Once you've done this, you're ready to develop a plan to reach these goals. This plan will be your budget.

# My Financial Goals Worksheet

**Short-term goals** take less than one year to accomplish.

*Example: I want an emergency fund.*

GOAL	TIME FRAME	WHAT IT WILL COST	WHAT I NEED TO DO
Emergency fund	1 year	\$1,200	I will put \$100 each payday into a savings account.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Medium-term goals** generally take one to three years to accomplish.

*Example: I want to pay off my credit cards in two years.*

GOAL	TIME FRAME	WHAT IT WILL COST	WHAT I NEED TO DO
Pay off credit cards (based on 18% interest)	2 years	\$2,400	Make a \$119.82 payment each month and put away my credit cards.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Long-term goals** usually take four to 24 years to accomplish and could include saving toward an education fund or retirement.

*Example: I will put a minimum of \$85 per month into RESPs and save 25% of any raises I get.*

GOAL	TIME FRAME	WHAT IT WILL COST	WHAT I NEED TO DO
Save for child's education	18 years	\$18,360	Put \$85/month into RESPs Save 25% of any raises.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

# Budgeting with several small incomes

Linda is a 23-year-old single parent with two young children. She receives income from a part-time job, child support and Income Support benefits. Budgeting is a challenge for Linda because her income comes in at different times of the month.

To meet this challenge, Linda

- schedules her bill payments on the dates that cheques come in rather than trying to save all month and paying all the bills at the same time
- arranges with her day home to pay twice a month rather than once
- splits some payments in half and pays half when she receives her Income Support benefits and half when she receives her Canada child tax benefits

## How much money do you have to work with?

**The first step in developing a budget/spending plan** is to figure out how much money you have to work with, when that money comes in, and where it comes from. This step takes a bit of work.

Where does your money come from? What income can you count on getting every month?

Some possible sources of income are listed below. Write down how much you get that you can count on getting each and every month. If your income varies, then you have two choices:

- You can add up your total income for the last 12 months and divide this by 12. This should give you an idea of how much you have, on average, each month.

Last year's income \_\_\_\_\_  
divided by 12 = \_\_\_\_\_

- You can take your lowest income amount and use that as your monthly amount. That way, you can build a plan that you know will work.

Some of the money you get may only come at certain times of the year. List that income below and make a note of when and how often you get this money.

### My Income Worksheet

#### Money I can count on each month

Primary Income (wages or salary after deductions) \_\_\_\_\_  
Secondary Income (wages or salary after deductions) \_\_\_\_\_  
Child tax credit \_\_\_\_\_  
Child support \_\_\_\_\_  
Spousal support \_\_\_\_\_  
Other regular monthly income, such as pensions or Income Support benefits \_\_\_\_\_  
**Total monthly income** \_\_\_\_\_

#### Other money I get during the year

	How much?	How often?
GST credit	_____	_____
Other	_____	_____
	_____	_____

# How do you spend your money?

**This step could take some work, but the results will be worth it!** To make a spending plan that works for you, it helps if you know where, when and why you have been spending your money. Then you can decide if that is where you want your money to go.

## Monthly expenses

Some of your expenses occur each month and don't vary too much. These are expenses like rent or mortgage payments. You can write those down first in the *monthly expenses* section of the worksheet called *My Expenses Worksheet* (page 6). For the rest of your expenses, you will need to do a little research. A great place to start is by tracking your spending for at least two weeks. You can start now by

- writing down everything you spend in a small notebook that fits in your pocket or purse
- keeping receipts for everything you buy and transferring these receipts into a file as soon as you get home or throw them into a jar or envelope to sort later
- using an app on your smartphone to record spending

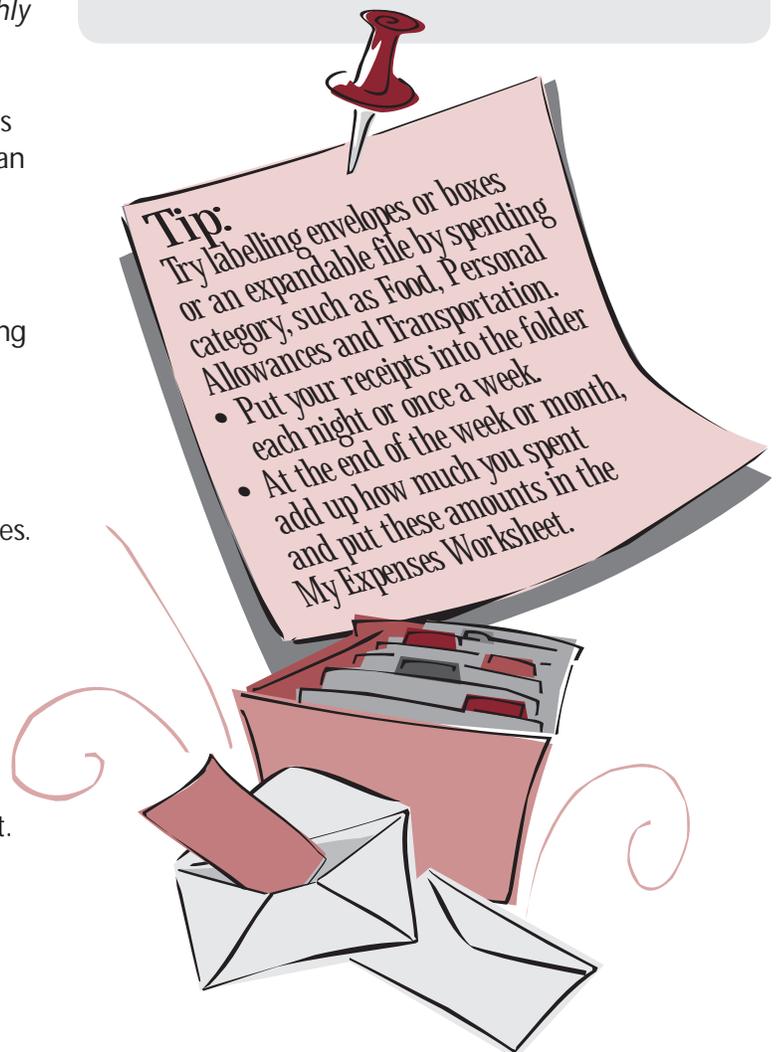
*My Expenses Worksheet* lists possible spending categories. Use the ones that you need, scratch out the ones that you don't need and write in your own categories.

## Annual expenses

Some other expenses come up only at certain times of the year or as you need them. These expenses go under *annual expenses*. This section covers everything from school fees to car repairs and visits to the dentist. This is the section where your receipt filing system is going to be really handy! Again, each category may not be for you. Cross out the ones that don't apply.

*Fred is a single father of two young boys. He works full time as a carpenter and has a difficult time making ends meet. When he started to budget, he wrote down everything he spent on pieces of paper. At the end of each month, he had all the information, but it was buried in paper piles all over the house!*

*A friend suggested he buy an expandable file. He created a label for each pocket of the expandable file, using the categories in his spending plan as a guide (for example, Food, Housing, Transportation and so on). Now, as soon as he walks in the door, he transfers his receipts and pieces of paper to the appropriate pocket in the file. At the end of the month, all the information is organized and he finds tracking his budget much easier.*



# My Expenses Worksheet

The following worksheet lists monthly expenses and annual expenses. Write down what you pay for the items you need. For example, under Housing, enter the amount that you pay each month for rent or mortgage payments. You may not need all categories. Cross out any ones that don't apply to you and write in the new ones you have.

Monthly Expenses	Amount
<b>Housing</b>	
Mortgage or rent	
Second mortgage	
Insurance - house/ re	
Property taxes	
Condo/strata fees	
<b>Utilities</b>	
Power	
Telephone - land line and cellular phones	
Water and sewer	
Natural gas	
Internet/cable TV	
<b>Food</b>	
Grocery store	
<b>Household Incidentals</b>	
Banking fees, magazines/newspapers, alarm	
<b>Transportation</b>	
Vehicle insurance	
Gasoline, bus fare, parking	
Vehicle loan/lease payment	
Vehicle loan/lease payment	
<b>Personal Allowances</b>	
Beauty, hair, grooming	
Co-ees and lunches out	
Meals out - fast food and restaurants	
Alcohol, cigarettes, lottery tickets	
<b>Medical Expenses</b>	
Prescription and other monthly medical	
<b>Recreation and Entertainment</b>	
Gym membership(s)	
Movies, video games, electronics, etc.	
<b>Life Insurance</b>	
<b>Personal Loans</b>	
<b>Credit Card Payments</b>	
<b>Savings, Contributions and Donations</b>	
Savings - short term	
Savings - long term	
Charity, foster parent plan, tithe, etc.	
<b>Other</b>	
Child or spousal support	
Day care/after-school care	
Pets	
<b>TOTAL MONTHLY EXPENSES</b>	\$ <b>1</b>

Annual Expenses	Amount
<b>Transportation</b>	
Vehicle maintenance	
Vehicle licence and registration	
<b>Clothing</b>	
<b>House Maintenance or Renovations</b>	
<b>Education</b>	
Workshops	
Tuition, books, supplies, etc.	
Certi cations and memberships	
<b>Medical Expenses</b>	
Dental, optical, orthotics, etc.	
Chiropractor, massage, etc.	
<b>Seasonal Sports and Recreation</b>	
Hockey, soccer, skiing, golf, hunting, etc.	
Piano, music, dance, etc.	
<b>Gifts and Festivities</b>	
Christmas	
All other gifts - birthdays, etc.	
Weddings	
<b>Travel and Vacations</b>	
Travel for tournaments, sports	
Vacations	
<b>TOTAL ANNUAL EXPENSES</b>	\$
<b>DIVIDED BY 12 = PER MONTH</b>	\$ <b>2</b>

Total Monthly Expenses	
Monthly Expenses	\$ <b>1</b>
Plus Annual/12	\$ <b>2</b>
<b>TOTAL</b>	\$ <b>3</b>

## Putting it all together

**Money in:** My total monthly income \_\_\_\_\_

**Money out:** My total monthly expenses - \_\_\_\_\_

**How much is left** = \_\_\_\_\_

## So, what's the verdict?

### Is your income equal to or greater than your expenses?

If so, that's great. Now you can follow through on achieving your goal. You may even want to make a few changes so that you can save more or reach your goal faster. Ideas for this are found in the section called *Tips to help you save money*.

### Is your income less than your expenses?

If so, you may want to make some changes. For example, see if you can

- cut your expenses
- find other ways to meet your needs
- boost your income

Information and tips to help are found in the section called *Tips to help you save money*.

### Is your income less than your expenses and there's no room left to cut expenses or change spending?

If so, then there are programs, services and other resources to help you with your expenses. You may also want to give Money Mentors a call to find out what options you have for dealing with any debts you may have. Check out *Resources to Help* at the back of this book for other ideas.

*Jason is a 23-year-old technology graduate who just moved to Calgary. He makes pretty good money and has only himself to support. As a newcomer, he doesn't know many people, so he goes out a lot with people from work for dinner and drinks. He often pays for the group. His goal is to save some money so that he can buy a house or condo of his own, but this isn't happening. He feels his new friends expect him to pick up the cheque when they're out somewhere, and he isn't feeling good about this.*

*Jason finally decided to mention how he was feeling to one of his colleagues. The next time they were out, this colleague suggested to the group that everyone pay for their own food and drink. The outings continue but Jason no longer feels he has to pay. In fact, he feels that he is a more wanted part of the group.*

# Money and Feelings

*Spending is often about more than money. What does money mean to you?*

*Does buying something cheer you up when you're sad? Does getting a bargain make you feel like you're beating the system? Do you feel that spending money gives you power or a sense of belonging? Do you feel that spending on family and friends will make them care more about you? Learning more about why you spend money will help you make choices that are good for you when you start getting control of your money with your spending plan.*

*There are many books available on money and feelings. Check out your local library if you'd like to learn more.*



# Creating YOUR spending plan

*You've done a lot of work up to this point* to figure out how much money comes into your household, how you spend it, how you want to spend it, and what resources and options are available to you. This is where you create YOUR own spending plan to determine how much YOU would like to spend on the things that are within your control. This is a good time to involve all of the members of your household. You might even want to mention to your friends that you are living on a budget so that they can be supportive as well.

## Budgeting on a regular income

If your income is predictable, go directly to the worksheet called *My Spending Plan Worksheet* (page 10).

## Budgeting on a rollercoaster income

When your income changes from month to month, it can make financial planning a bit challenging.

To figure out how much you should count on each month, you could

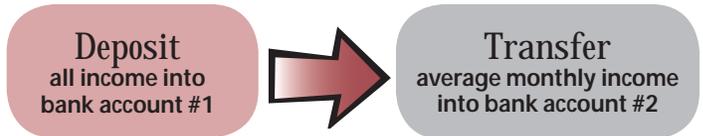
- track your income for six months or a year
- look at your income tax return from last year to estimate what your annual income could be this year

If you think your income will be less this year than last year, lower your estimated annual income so that you have a safety net.

Here are three methods for budgeting that can help deal with living on an income that changes.

## 1 BE YOUR OWN PAYROLL DEPARTMENT

Be your own payroll department and pay yourself a regular salary. Open two bank accounts. Into one, you deposit all of your income. Into the other, you transfer your average monthly income to cover your budget expenses. If you build up some savings, you could even give yourself a raise!



This works well for

- employees on a commission salary
- those who are self-employed

## 2 CREATE TWO SPENDING PLANS

Create a spending plan that covers your basic needs and uses your lowest monthly income. Create a second spending plan that includes these basic needs plus other monthly and annual expenses, such as clothing, gifts, school fees and entertainment. Use the income that you get in your higher earning months to pre-pay some of these expenses. For example, you could buy an annual pass at a recreation facility during your high earning period so that you can have an opportunity for recreation during the other times.

This works well for seasonal workers.

## 3 USE REGULAR INCOME FOR REGULAR EXPENSES

Split your income into two categories: expenses that must get paid each month and yearly expenses that vary. Use your regular income to pay your fixed expenses and use the fluctuating income for the others.

This works well for households with

- base salary and commission
- base wages and tips
- one stable income and one variable income

For more information, visit [moneymentors.ca/learning-centre.html](http://moneymentors.ca/learning-centre.html) and read the Living on an Income Rollercoaster tip sheet.

David and Jane were living on a rollercoaster income because David's work was seasonal. With one young child and expecting their second, the couple found themselves facing huge credit debts. Every day, more and more creditors were calling, demanding to be paid. David and Jane couldn't stand the pressure anymore, so they enrolled in the Money Mentors Orderly Payment of Debts program. The couple learned how to simplify their lifestyle and take back control of their lives by

- buying no-name products
- reducing water and electricity consumption
- using public transit as much as possible and driving their car as little as possible
- using as many public programs as possible
- getting information from a Community Health Centre for purchasing items such as car seats
- borrowing movies and books from libraries rather than buying them

Jane says that getting out of debt didn't happen right away. It took a lot of discipline, but the peace of mind has been absolutely worth it.

They no longer have creditors calling. David has found a permanent job and the future is looking a lot brighter for the couple. Even with no debt and a dependable income, they plan to continue this approach to money management.



## What to watch out for

### Taxes

You may be responsible for the deduction of your own income taxes and may need to make quarterly instalment payments. Check with the Canada Revenue Agency.

### Business costs

When you create your spending plan, you may need to include business costs. For example, if you are a day home provider, you need to budget for things such as food, activities and transportation. You might want to keep track of this in a separate bank account. The separate account will help you with sorting out taxes at the end of the year.

### Save for yearly expenses

However you decide to budget, you'll need money for random expenses such as repairs, gifts and clothing. To meet these needs, you can

- create a special bank account for these occasional expenses
- buy Canada Savings Bonds that can be cashed when needed
- pay in advance when you can, such as through gift cards for food and clothing, gift certificates for services, pre-paid phone cards and annual memberships
- buy yearly goods and services, such as insurance, on a monthly basis
- buy one gift a month to prepare for special occasions

# My Spending Plan Worksheet

If your income changes from month to month, you may want to do two versions of this worksheet: one for months when your income is higher and one for months when your income is lower. Based on all the information you have collected in the *My Expenses Worksheet*, put in the amounts in each category. For example, put the amount you pay each month for your rent or mortgage in the column under "Amount."

Monthly Expenses	Amount
<b>Housing</b>	
Mortgage or rent	
Second mortgage	
Insurance - house/ re	
Property taxes	
Condo/strata fees	
<b>Utilities</b>	
Power	
Telephone - landline and cellular phones	
Water and sewer	
Natural gas	
Internet/cable TV	
<b>Food</b>	
Grocery store	
<b>Household Incidentals</b>	
Banking fees, magazines/newspapers, alarm	
<b>Transportation</b>	
Vehicle insurance	
Gasoline, bus fare, parking	
Vehicle loan/lease payment	
Vehicle loan/lease payment	
<b>Personal Allowances</b>	
Beauty, hair, grooming	
Co ee, tea and lunches out	
Dining out - fast food and restaurants	
Alcohol, cigarettes, lottery tickets	
<b>Medical Expenses</b>	
Prescription and other monthly medical	
<b>Recreation and Entertainment</b>	
Gym membership(s)	
Movies, video games, electronics, etc.	
<b>Life Insurance</b>	
<b>Personal Loans</b>	
<b>Credit Card Payments</b>	
<b>Savings, Contributions and Donations</b>	
Savings - short term	
Savings - long term	
Charity, foster parent plan, tithe, etc.	
<b>Other</b>	
Child or spousal support	
Day care/after-school care	
Pets	
<b>TOTAL MONTHLY EXPENSES</b>	\$ <b>1</b>

Monthly Net Income (Take home)	Amount
Wages/salary	
Wages/salary	
Child tax credit	
Child/spousal maintenance	
Other regular monthly income	
<b>TOTAL MONTHLY INCOME</b>	\$ <b>2</b>

Annual Expenses	Amount
<b>Transportation</b>	
Vehicle maintenance	
Vehicle licence and registration	
<b>Clothing</b>	
<b>House Maintenance or Renovations</b>	
<b>Education</b>	
Workshops	
Tuition, books, supplies, etc.	
Certi cations and memberships	
<b>Medical Expenses</b>	
Dental, optical, orthotics, etc.	
Chiropractor, massage, etc.	
<b>Seasonal Sports and Recreation</b>	
Hockey, soccer, skiing, golf, hunting, etc.	
Piano, music, dance, etc.	
<b>Gifts and Festivities</b>	
Christmas	
All other gifts - birthdays, etc.	
Weddings	
<b>Travel and Vacations</b>	
Travel for tournaments, sports	
Vacations	
<b>TOTAL ANNUAL EXPENSES</b>	\$
<b>DIVIDED BY 12 = PER MONTH</b>	\$ <b>3</b>

Total Monthly Expenses	
Monthly Expenses	\$ <b>1</b>
Plus Annual/12	\$ <b>3</b>
<b>TOTAL</b>	\$ <b>4</b>

Monthly Income Minus Expenses	
Total Monthly Income	\$ <b>2</b>
Less Total Monthly Expenses	\$ <b>4</b>
<b>BALANCE</b>	\$

# Making your spending plan work

**Once you know** when and how you are going to pay your expenses, you may be looking for a way to make it easy to track them. The system you choose should match your lifestyle, personality and skills. It needs to work for you. The important thing is to track so that you know what you have spent and what you still need to pay.

Here are some ideas that you can use alone or in combination.

## Envelope method

If you put your cash in separate envelopes for each expense category, then you can tell if you are on target just by checking what is left in each envelope. This is good if you're confident about handling cash. This is bad if you're worried about having large amounts of cash on hand both for theft and self-control reasons. Try using pre-paid cards from grocery stores.

## Electronic method

Use a spreadsheet to track expenses and income month by month. Running totals can forecast when money will be tight and when you'll have some extra spending cash. Try using a smartphone app for quick updates on the go.

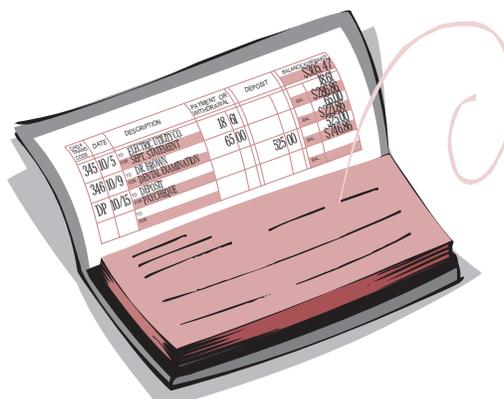
## Notebook or accounting method

Use a page for each expense category and write down the amount you budgeted as your opening balance. As you spend, subtract this amount. If you don't enjoy paperwork, this method is not for you.



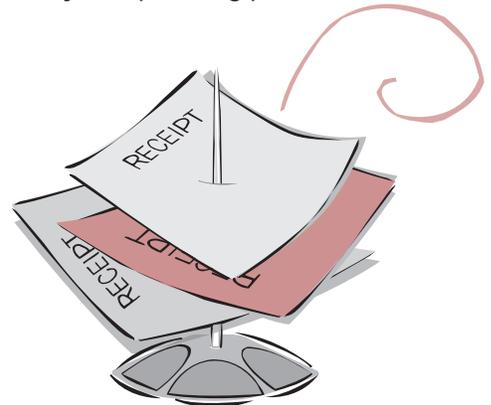
## Chequebook record method

Decide which items in your budget will be paid by cheque or automatic withdrawal. Write cheques for these items or record the date of the automatic withdrawal in your chequebook. This is good if you're a detailed record keeper. Remember, a debit card is a "plastic cheque," so record these transactions too.

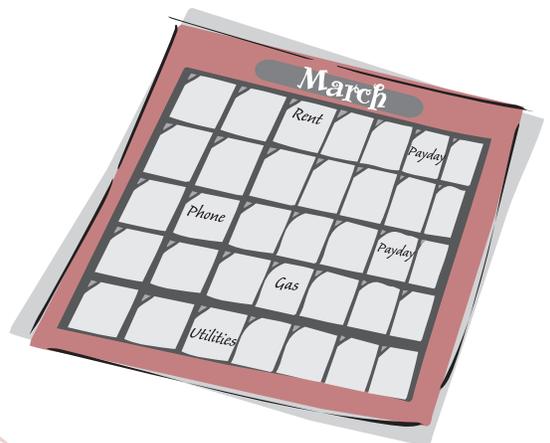


## Receipt method

Keep all receipts or record all expenditures. At the end of the month, total each spending category and compare this to your spending plan.



You could track this on your *My Spending Plan Worksheet* (extra copies of the worksheet are at the back of this book). However, unless you do this weekly, you won't know how much you've spent until the end of the month.



## Calendar method

Using a calendar, mark the dates you have money coming in and when bills are due. This method gives you a quick reminder of where your money needs to go and when.

## Paycheque planner method

Using the *Paycheque Planner/Money Tracker Worksheet*, you can plan to pay for things on the dates you get paid or receive money. First, list your budget plan to guide you. Next, put the dates you get paid or receive money at the top. Then, enter the amount of money you receive and what expenses you will pay under each date. Any money left over becomes your opening balance for the next column. This is one of the best and easiest ways to keep track of your money and pay your bills on time. Remember—if you are unable to make a payment or set aside the savings you planned, be sure to note that on your worksheet and decide when you will catch up on that payment. Write the payment under that column.

On this page is a sample worksheet to help you get started.

In the first column, the money available in cash or in the bank is the opening balance. (In the sample worksheet, the opening balance is zero.) The closing balance at the bottom of the first column (and each following column) becomes the opening balance in the next column.

On the opposite page is a *Paycheque Planner/Money Tracker Worksheet* that you can make your own. Change the income and spending categories to match your own needs.

You can also use the *Paycheque Planner/Money Tracker Worksheet* to track your spending. By filling in the worksheet as you pay for things, you will know exactly where your money goes! Fill it in weekly, monthly or by payday—whatever works for you.

## Paycheque Planner/Money Tracker Worksheet

	Budget	14-Jun	30-Jun
<b>OPENING BALANCE</b>		\$ 10.00	\$ 460.00
<b>Income</b>			
Wages/salary (paycheque)	\$ 2,300.00	\$ 1,100.00	\$ 1,200.00
Child tax credit			
Child/spousal maintenance	\$ 300.00		\$ 300.00
Other regular monthly income			
<b>TOTAL INCOME</b>	<b>\$ 2,600.00</b>	<b>\$ 1,110.00</b>	<b>\$ 1,960.00</b>
<b>Monthly Expenses</b>			
Housing	\$ 650.00		\$ 650.00
Utilities	\$ 150.00		\$ 150.00
Food	\$ 400.00	\$ 200.00	\$ 200.00
Household Incidentals	\$ 50.00	\$ 50.00	
Transportation	\$ 140.00	\$ 100.00	\$ 40.00
Personal Allowances	\$ 200.00	\$ 100.00	\$ 100.00
Medical Expenses	\$ 50.00	\$ 50.00	
Recreation and Entertainment			
Life Insurance	\$ 50.00		\$ 50.00
Personal Loans			
Credit Card Payments	\$ 200.00	\$ 75.00	\$ 125.00
Savings, Contributions and Donations	\$ 100.00		\$ 100.00
Other	\$ 250.00	\$ 75.00	\$ 175.00
<b>TOTAL MONTHLY EXPENSES</b>	<b>\$ 2,240.00</b>	<b>\$ 650.00</b>	<b>\$ 1,590.00</b>
<b>Annual Expenses</b>			
Transportation	\$ 40.00		\$ 40.00
Clothing	\$ 40.00		\$ 40.00
House Maintenance or Renovations			
Education	\$ 180.00		\$ 180.00
Medical Expenses			
Seasonal Sports and Recreation	\$ 60.00		\$ 60.00
Gifts and Festivities	\$ 30.00		\$ 30.00
Travel and Vacations			
<b>TOTAL ANNUAL EXPENSES</b>	<b>\$ 350.00</b>	<b>\$ -</b>	<b>\$ 350.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 2,590.00</b>	<b>\$ 650.00</b>	<b>\$ 1,940.00</b>
<b>CLOSING BALANCE</b>	<b>\$ 10.00</b>	<b>\$ 460.00</b>	<b>\$ 20.00</b>

**CLOSING BALANCE** (total income minus total expenses): this is now your opening balance for the next payday.

# Paycheque Planner/Money Tracker Worksheet

Here is a blank worksheet that you can use to create your own paycheque planner.

	Budget				
<b>OPENING BALANCE</b>					
<b>Income</b>					
Wages/salary (paycheque)					
Child tax credit					
Child/spousal maintenance					
Other regular monthly income					
<b>TOTAL INCOME</b>					
<b>Monthly Expenses</b>					
Housing					
Utilities					
Food					
Household Incidentals					
Transportation					
Personal Allowances					
Medical Expenses					
Recreation and Entertainment					
Life Insurance					
Personal Loans					
Credit Card Payments					
Savings, Contributions and Donations					
Other					
<b>TOTAL MONTHLY EXPENSES</b>					
<b>Annual Expenses</b>					
Transportation					
Clothing					
House Maintenance or Renovations					
Education					
Medical Expenses					
Seasonal Sports and Recreation					
Gifts and Festivities					
Travel and Vacations					
<b>TOTAL ANNUAL EXPENSES</b>					
<b>TOTAL EXPENSES</b>					
<b>CLOSING BALANCE</b>					

**CLOSING BALANCE** (total income minus total expenses): this is now your opening balance for the next payday.

Brian is a 22-year-old communications major. He has chosen to take time off from his studies to regroup, to save money to complete his final year and to earn sufficient income to live on his own.

For the last year, he has been working as a barista. He has given a lot of thought about what's important to him. For example, he likes to watch TV and surf the Internet when he's not working, so he budgets money each month for cable and Internet instead of going to the bars with his friends.

He uses a calendar to keep track of his income, bills and spending and knows where every cent goes. Brian says it's really important to know what you need in your life and what you can live without.



Diane is a 36-year-old single mother of two children, ages 12 and 14. She is on medical leave from her job. Her greatest challenge is to have enough money to keep her two boys in hockey.

She has made her dollars go further by not eating out in restaurants, taking her children to free or low-cost outings and buying second-hand hockey equipment. On paydays, she pays all of her bills and rent, then budgets to get her through until the next payday.

Jane is a 23-year-old single parent with one child. She works as a clerk. Her greatest challenge is to make sure all of her monthly bills are paid.

To make it through the month, she gives the rest of the money to her father. He gives her money as she needs it and helps her to make it last. Jane says you should never be afraid to ask for help, but if you give someone money to hold for you, make sure they won't spend it.



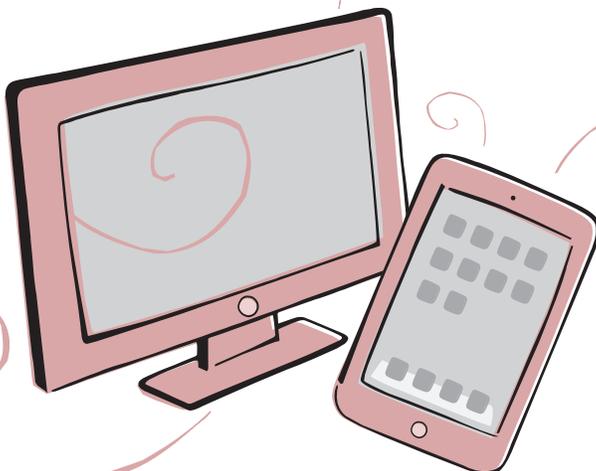
### Tips for making it to payday.

Even with a good system and a serious commitment, those last few days until payday can be challenging.

Here are some ideas to deal with this:

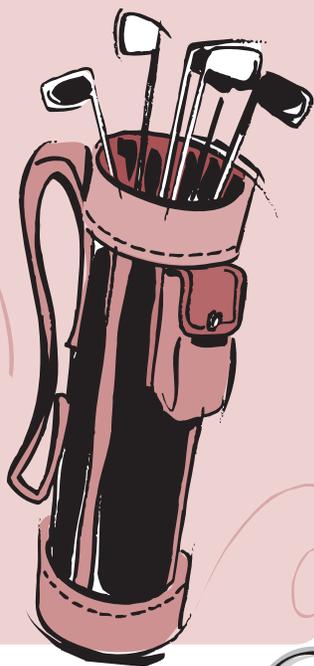
- Get prepaid food/gas vouchers or gift cards.
- Buy monthly or annual passes for items such as transportation or recreation.
- Take advantage of the many bartering, swapping and trading ideas in this book or come up with some of your own.

- Get a ride to work with a friend or neighbour.
- Save all of your bottles and cans and return them for a refund.



*Jerry is a 51-year-old welder who has been out of work for several months because of health concerns. He has made several changes so that he can live off his savings until he finds another job.*

*He avoids luxury items, buys no-name brands and borrows movies from the library instead of buying them. His goal is to be able to golf. To make the most of this, he buys used golf balls for half the price of name-brand golf balls and golfs later in the day when fees are lower.*



# What to expect

**Budgeting is a lot like exercise**—it's hard to get started, but it feels good once you develop the habit. It helps if you can keep your financial goal in sight and use your spending plan as a guide to get there. You may want or need to change your spending plan from time to time. That's okay. You may have unexpected expenses as a result of events such as an accident, job loss, illness or a major repair. Or you may get a raise or a new job. You may need to revise your budget either way to deal with the unexpected. The important thing is that it works for YOU by helping you take control of your money and enhancing your life

If your spending plan doesn't work the first time, don't be discouraged. Like exercise, it may take a while before it starts to feel good.

The next section of the workbook gives you some tips on how you can get the most out of each dollar, and also shows you where to go to find more resources.

*Karen is a 22-year-old single mother of two. She lives in subsidized housing. Her income consists of Income Support benefits, Canada child tax benefits and a GST rebate.*

*Karen says that it is a challenge to make ends meet, but she can do it by budgeting. She pays all of her bills as soon as her cheques come in. Karen quit smoking, which saves her \$250 a month, and she takes advantage of sales for things she needs.*



# Stretching Your Dollars

16

## Making changes to meet your financial goals

**Now you know** where you stand money-wise and you've made your own personalized spending plan. Maybe you'd also like to find some ways to change your spending to achieve your goal. Maybe you even have some ideas about how to boost your income.

Take a look at your worksheets for monthly and annual expenses.

- Did any of these amounts surprise you?
- Did any of the items seem to be a waste because you didn't feel you got value for the money you spent?

This is a good time to go over your worksheets and decide what you really **need** to spend money on, such as housing or food. Use a highlighter to identify these items.

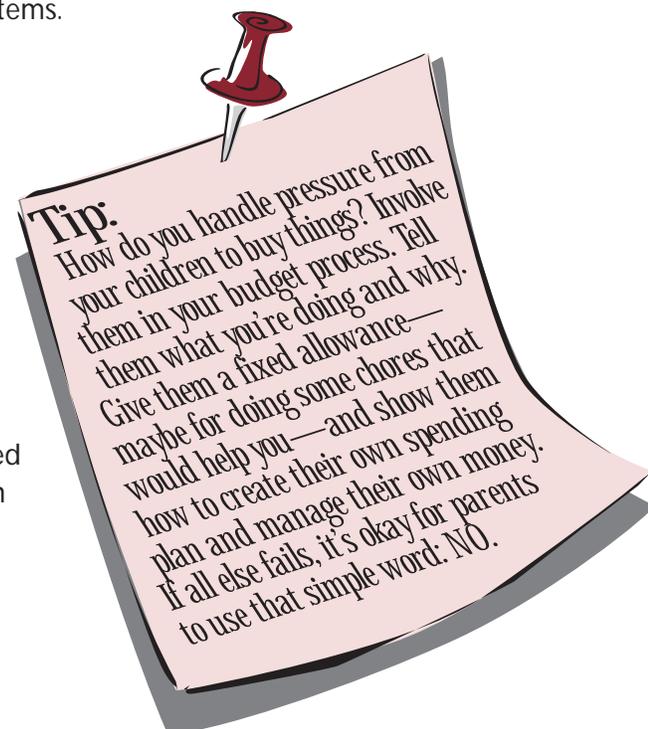
Next, use a different colour highlighter to identify all the things that you really **want** to spend money on—the things that are important to you.

Are there any items not highlighted? Are there items you need or want to spend money on that you could reduce? These non-highlighted items could be where you can change your spending.

For example, maybe you like good food and dine out in restaurants twice a month. You could consider

- cutting this down to once a month
- going to less expensive restaurants
- going out just for dessert
- organizing a dinner group where everyone makes food
- getting takeout food
- buying prepared food at a local deli
- making food at home

All of these options could meet your desire to have good food but would lower your spending. Can you think of other areas where you could reduce your spending?



One area that influences many of us is the idea that “I want it and I want it now.” Often, we don’t have the money to afford whatever “it” is, so we use credit to pay for it. By the time it’s paid off, the cost can be double or even triple the original price.

The following table shows the added cost to you of buying a \$1,000 item on a credit card (19%) or with a bank loan (6%).

### Interest charges on a \$1,000 purchase

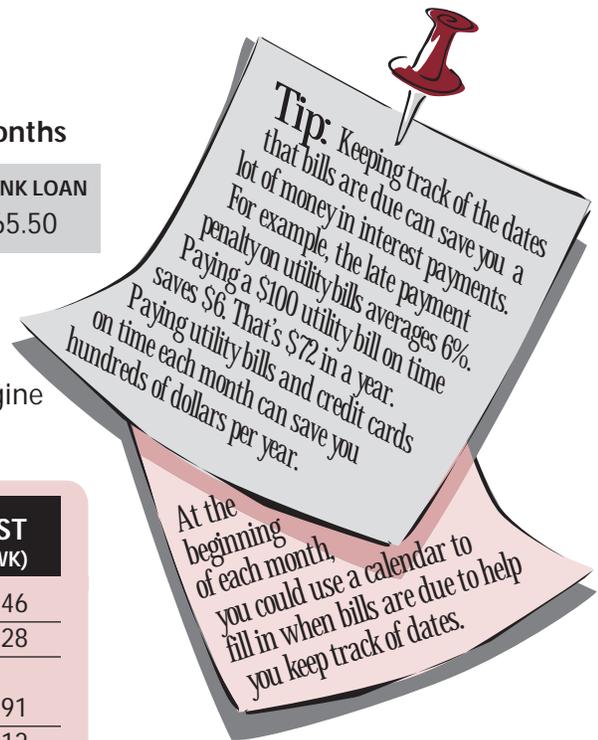
After 6 months		After 9 months		After 12 months	
CREDIT CARD	BANK LOAN	CREDIT CARD	BANK LOAN	CREDIT CARD	BANK LOAN
\$98.62	\$31.21	\$151.53	\$47.95	\$206.98	\$65.50

Some of your small daily treats or spontaneous purchases can really add up over the course of a year. Filling these wants in other ways can pay big dividends. Look at the examples in the box below and just imagine the money you could save!

ITEM	DAILY COST	ANNUAL COST (BASED ON 7 TIMES/WK)
Chocolate bar/chips	\$1.50	\$546
Morning coffee/pop	\$2.00	\$728
Throwing away a 2-litre pop bottle	\$.25	\$91
Takeout lunch	\$8.00	\$2,912
Pack of cigarettes	\$10.00	\$3,640
Magazine	\$5.00	\$1,820
On-demand movies	\$4.00	\$1,456

Now, you don’t have to do without these things. With a bit of planning, you could buy bulk chocolate bars, chips, pop or other snacks for much less money. You could make your own lunch and your own coffee three or four days a week and treat yourself on the other days. For magazines, you could invest in a local library card (typically \$10) and have access to an unlimited number of magazines for a whole year! With cigarettes—well, we all know it would be a healthier choice to quit, but maybe you could cut down or roll your own.

Would you enjoy keeping most of this money while still enjoying the same things? Go back to your spending plan. See if you can spot any expenses, even small ones, that you could do without or reduce.





# Tips to help you save money

Here are some ideas to help you save money on both the needs and wants in your spending plan. Many of these options use bartering, swapping and trading. Some of these options may not work for you and that's fine. These are just some of the choices you have.

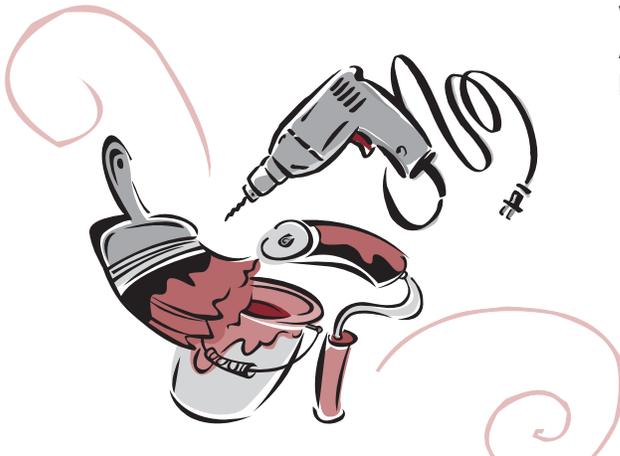
## Housing

A large portion of an average household budget goes toward providing a roof over your head, whether you own your own home or rent. Looking for ways to cut expenses in this area can make a big difference!

- If you are renting, you could reduce your rent by doing odd jobs around your building.
- If you have your own house, you could rent your garage or a room that you're not using. Another idea is learn to do simple repairs yourself. You can learn to do some basic home maintenance or improvements by asking questions or attending free seminars at home improvement stores. You can also ask friends if you can watch while they do work on their own homes or offer to help them and learn as you work.

## Utilities

This is another area where you can reduce your costs. Often, we use more electricity, natural gas and water than we really need. You can reduce these costs by turning off lights, turning down your thermostat and water tank when not needed and using water efficiently. You can also talk to your utility provider about going on a monthly plan. This means that you would pay the same amount every month throughout the year, which makes budget planning a bit easier.



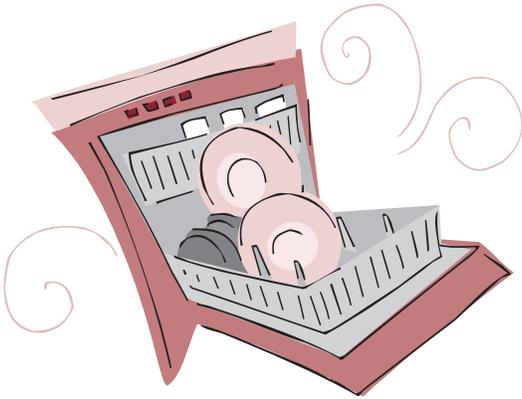
**Tips** for keeping **electricity** and **natural gas** costs down:

- Turn off unused lights and electrical equipment.
- Replace 100-watt bulbs with energy-efficient alternatives such as halogen or LED bulbs.
- Check the seals on your oven, fridge and freezer. Even a small gap lets out heat or cold.
- For maximum efficiency, hot water tanks should be set no higher than 50 degrees Celsius, refrigerators at 3 degrees Celsius and freezers at -18 degrees Celsius.
- Clean furnace filters regularly. Check filters at least once a month. Replace disposable filters or clean the permanent ones whenever they appear dirty.
- Use an electric heater only until the chill is gone from the room. An electric heater can cost up to \$50 a month to heat one room.
- Move all furniture at least 30 cm away from heaters and registers to make sure the heat is flowing efficiently.
- Close the drapes as soon as the sun goes down in winter to keep warm air in the room.
- Use small portable fans in the summer to cool parts of the house rather than keeping the furnace fan on all day.
- Use "door socks"—long snake-like pieces of material stuffed with sand or birdseed—to stop drafts under exterior and interior doors.
- Use indoor appliance timers to turn lamps on and off. This saves electricity while giving your home a lived-in look while you are out.
- Use an outdoor timer or power saver cord on your vehicle's block heater and save up to \$20 per month. A vehicle only needs to be plugged in for three hours before starting, even on the coldest day.



**Tips** for keeping your **water** costs down:

- Put dishes in a drainer and pour a bowl of water over them rather than rinsing separately under the tap.
- When using the dishwasher, run the shortest wash cycle possible, use the air dry cycle and run only full dishwasher loads.
- Regularly check toilets, pipes and faucets for leaks and repair them. One small leak can waste thousands of litres of water per year. An undetected leak in a toilet can cost as much as \$10 per month.
- Install low-flow showerheads and flow-reducing devices on taps.



**Tips** for reducing **telephone, cable, TV** and **Internet** costs:

- Check that you need (or even use) all of the services or features that you're paying for.
- Reduce your long distance charges by using a different phone company or by making only emergency long distance calls.
- Cut back on, eliminate or pre-purchase cellular phone time. Be selective about giving out your cell number if you are paying per minute. Remember that you pay for incoming as well as outgoing calls.
- Cancel your landline if you only use your cellular phone.

## Food

Buying food is not optional, but how much you spend on it can be. There are a lot of options for reducing your food bill. The *Eating Well with Canada's Food Guide* provides good information for finding healthy substitutes for expensive items such as meat. You can substitute

other protein items like peanut butter, dairy products and beans, for example. If fresh milk is too large a part of your food budget, you can try alternatives like skim milk powder. Here are some other ideas to help you control spending and save money on a big budget item—food.

**Tips** for stretching your **food** dollars:

- Try to plan your meals for a week at a time and then shop just once a week.
- **Never** shop when you're hungry.
- Make a list and stick to it.
- Take advantage of coupons, but only for items you really want.
- Consider choosing foods that are on sale or in season.
- Save money by purchasing tougher cuts of meat and marinating, tenderizing or slow-cooking them.
- Choose a warehouse or superstore for bulk buying rather than shopping at corner convenience stores where the costs per item are much higher.
- Use coupons, rebates and frequent shopper programs.
- Compare prices on store brands, name brands and no-name brands.
- Be aware of marketing strategies, such as the placement of items near the till on your way out, end-of-aisle bins, middle-shelf items and island displays. These items usually cost more and encourage impulse buying.
- Check discount bins.
- Learn to be a label reader and watch the scanner at the cash register to catch any errors.
- Bring your store flyers with you to confirm prices and to get your store to match competitors' prices, if possible.
- Participate in a **collective kitchen**, where four or five people budget, plan, shop for and prepare four to five meals per month. At the end of the cooking session, each person goes home with several nutritious, low-cost meals ready for the freezer. Join an existing collective kitchen (several agencies provide these) or start your own with family, friends and neighbours.
- Cook at home more often.



- Start a **food buying co-op**. Join forces with other families to buy food in bulk. The group shares the cost of sending one or two members to a megastore. They buy in bulk and at a volume discount for the whole group.
- Start a **community garden** where everyone participates and has fun planting, harvesting and preserving what is grown. You can often get permission to use unused industrial or government land. Look around your neighbourhood for unused land, find out who owns it and contact them about a community garden. Check to see if your community league operates a community garden. Or simply ask an elderly or disabled homeowner in your neighbourhood who might enjoy having a garden (and some of the produce) but is unable to garden.



*Barb is a single mom living in an apartment building with her two daughters. She negotiated to cut grass for the summer for an elderly lady in her neighbourhood in exchange for the use of the woman's large unused backyard garden.*

*Barb planted and harvested the garden (trading seeds and plantings with other neighbours) and shared portions of the harvest with the elderly woman. Both women benefited. The elderly woman could not afford to pay someone to cut her grass and also enjoyed adding fresh produce to her diet. Barb was able to stay physically active by working in the garden and grounds (something she enjoyed anyway), and she also saved money on food.*

*Barb and another neighbour organized a local group-preserving event where a number of neighbours pooled their harvest, shared the canning and freezing duties and then equally divided the preserves. They have even held annual holiday baking exchanges. Barb worked out a similar arrangement with a local hunter. She did sewing and clothing repairs for his family and shared some of her preserves and homemade bread in exchange for a portion of his successful hunt.*

*Sean is a very committed environmentalist who also runs a small residential cleaning company. He likes to make his own household cleaning supplies to save money as well as the environment.*

- For sinks, baths, counters and appliances, sprinkle some vinegar, then sprinkle some baking soda. Wipe with a damp cloth.
- For slow drains, pour half a cup of boiling water down the drain followed by half a cup of baking soda. Half an hour later, pour more boiling water down the drain.
- For washing floors and walls, add 1/8 cup of baking soda and 1/4 cup of laundry soap to a pail of warm water.
- Use rubbing alcohol to shine chrome, remove grass stains and clean caulking in the bathroom.

## **Tips** to save money on **laundry**:

- Use half the recommended amount of detergent.
- Buy a large no-name bottle of liquid fabric softener and drop a couple of teaspoons of it into a clean washcloth or rag. Add this to the wet clothes in the dryer to reduce static and soften fabrics.
- Spray new or freshly washed sneakers with starch so they'll stay cleaner longer.

## Child care

Again, this is a necessary expense. However, maybe you can create a child care co-op with your friends and neighbours or provide some service (such as hair care, fixing something or making meals) to a caregiver to reduce the cost. Or, you could look into subsidized child care at day homes or day cares.

### How to start a **child care co-op**:

- 1 Arrange an information meeting with friends and neighbours.
- 2 Organize a group of members. Get everyone together to find out their needs and determine the operating rules.
- 3 Write down the operating rules and make sure everyone has a copy. These rules should include items such as roles and responsibilities, who is a member, who is co-ordinating and when, and who maintains the log book of hours owed and earned.

*Erma is a retired beautician. She has helped many women over the years save money on self-care products by helping them create their own products from household items.*

- *For a face mask or scrub, mix a paste of oatmeal or cornmeal and water. Pat on, let dry for 15 minutes and rinse with cool water.*
- *For acne or oily skin, use plain milk of magnesia as a mask. Apply after cleansing. Leave on until dry and then rinse off.*
- *Most shampoos are too concentrated. Pour half a bottle of shampoo into an old shampoo bottle and fill it with water. Fill the new bottle with water too. Turn each bottle over gently to mix.*

## Transportation

One option for reducing transportation costs is to carpool if you can find friends or neighbours with a similar schedule and destination. Some cities have websites to encourage people to carpool. If you use the bus a lot, make sure that you get books of tickets or monthly passes. They're much cheaper than buying single tickets.



## Personal allowance

This is one of the areas you have the most power to change. Take a look at what you spend and see if there are options. Try to avoid impulse purchases and persuasive salespeople by giving yourself a day or two to think about whether you really want the item. Carry only pocket change needed for bus fare and small items. Set reasonable amounts for children's allowances.

## Loans and credit payments

Debt can be very overwhelming and can limit your ability to reach your financial goals. If you find you are using your credit cards unwisely, get rid of them. More information is available in the *Tips to use loans, credit and banking effectively* section.



## Clothing and footwear

Sales can be a great way to save money on clothing and footwear. Plus, there is a variety of second-hand stores with clothing for all ages. You could swap or trade clothes with friends or neighbours or buy used clothing at garage sales. Some communities have established an annual clothing swap event, especially for infants' and children's clothing.

## Insurance

These costs are not very flexible. Be sure that you are not paying for coverage that you don't need. You may find that term insurance is cheaper than either mortgage insurance or life insurance with a savings component. This is one time you will really need to call around to check insurance rates and benefits before you buy.

## Taxes

A good way to prepare for income and property taxes is to use the monthly amount worked out during the budgeting process and put this money aside each month in a special account.

## Education

Waivers for fees are available for low-income families with children in kindergarten to Grade 12. School boards have this information. Some schools exchange volunteering for credit toward school expenses. Government student loans may be available for attending post-secondary programs.



## Medical

Shop around to compare prices and dispensing fees, ask your doctor or pharmacist to consider generic substitutions on prescriptions, or look for 2-for-1 sales on glasses. Health-related costs for adults and children in low-income households may be covered by the Alberta Adult Health Benefit or the Alberta Child Health Benefit programs. For more information, see the *Resources to Help* section.

## Recreation

Much of this depends on your own spending priorities. Some options include taking a local vacation by car instead of flying to a destination or buying used sports equipment instead of new. Programs run by your municipality can be a very good value, and waivers may be available for low-income families. Enjoy public parks and contact your local recreation department and ask to be put on their mailing list for events. There may be some regular events in your community that are free or low cost.

## Tips for low-cost recreation:

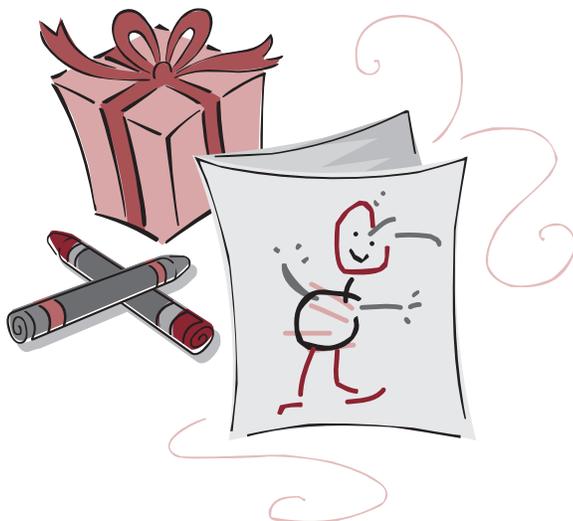
- Walk or jog through a park or pathway.
- Build a snowman or go skating, tobogganing, cross-country skiing or snowshoeing.
- Borrow books and movies from the library or participate in one of the many kids or adult reading programs offered by the library.
- Form an adult reading group.
- Use the Internet access available at your local library.
- Visit a museum, art exhibit or science centre.
- Attend school or university sporting events.
- Visit with friends and family.
- Play board games.
- Relax in the pool or hot tub at your local pool.
- Buy second-hand sports equipment.

## Gifts

It is truly the thought that counts. Maybe you could make something or offer services that would be welcome. Perhaps you already own something that you no longer want but someone else would. Give a gift of time such as a babysitting or car-washing certificate, or make a batch of your favourite cookies or preserves to give away.

## Tips for managing gift buying:

- If you're exchanging gifts with someone else, sit down well before the event and set a realistic price range.
- Use your budget guidelines and set aside money each month for gifts.
- Make cards instead of buying them. Kids love to be involved in this creative act!
- See if you and others can put your money together to buy a special gift for someone. This also works for kid birthday parties or teacher gifts.
- Take advantage of free gift offers when you are purchasing other things and put these away for special events.
- Take advantage of sales. If you know you'll need a gift for a birthday next summer or winter, you can often get great deals shopping at the end-of-season sales this year.
- Plan to buy one gift each month to help you prepare for upcoming special occasions.



## Car

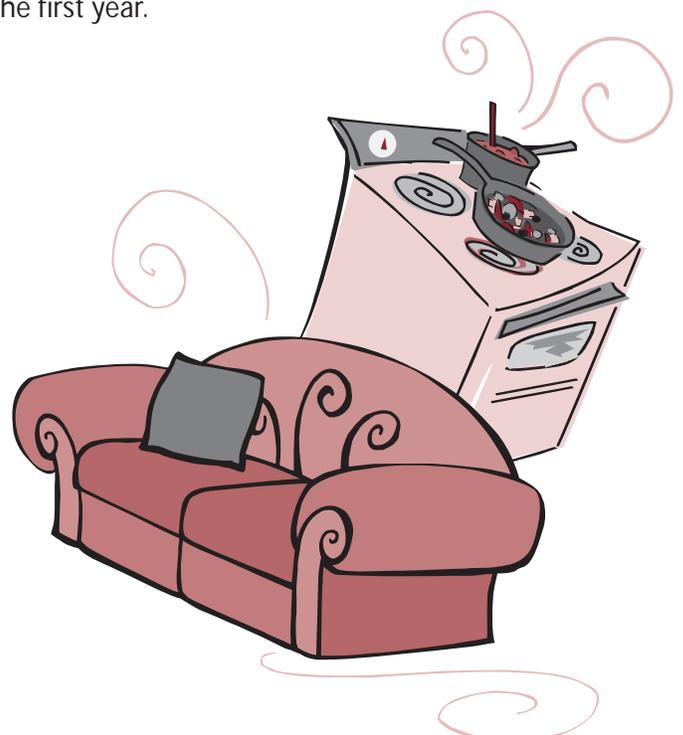
Registration and licensing are not flexible, but perhaps you could barter with someone for maintenance and repairs. Drive responsibly—don't add to your car expenses with tickets and increased insurance premiums.

## Special fees

You could save a lot of money each year using a library to borrow all of your favourite magazines. If you're interested in a club or group membership, you could see if the group would be willing to waive or reduce the fee in lieu of your volunteer time.

## Furniture and appliances

Again, the key words are swap, barter and trade. Or, look for goods at a second-hand store. If you're looking at rent-to-own furniture or offers of no interest for long periods of time, you should read the fine print. Often, up-front costs or monthly payments mean that you pay a high price for these items over time. If you take advantage of a "no interest for one year" offer, make sure that you are able to pay for the item within that year. Otherwise, the high interest rate is calculated from the moment you bought the item—not after the first year.



# Boosting your income

**Making more money** would also help you reach your financial goal. Think about your interests and skills. What would other people pay you to do that would help boost your current income? Perhaps you speak another language and could do some translation work? Are you really good at home or car repairs and could do work for friends and neighbours? If you like walking, maybe you could start a pet-walking business for before and after work? Maybe you have extra garage space you could rent out? You know your interests and skills. Be sure to check with the Canada Revenue Agency about any tax implications with a second income.



## Tips for boosting your income:

- Hold a garage sale, either on your own or with others.
- Make gifts of food, sewing items or woodwork to sell to people. This is a really good option for the holiday season.
- Rent out your garage or a room in your home.
- See if there are odd jobs that need to be done in your neighbourhood or start a lawn-mowing and snow-shovelling business.

# Tips to use loans, credit and banking effectively

The cost of loans, credit and banking services varies greatly—from free or no interest to 600% interest plus additional service charges. It pays to shop around, ask questions and know what the interest rate or service charge will be before you sign. How you use credit will also make a big difference in how much money you keep in your pocket. We have listed some tips and suggestions to help you use these services effectively.

## Credit cards

Credit cards allow you to buy today and pay tomorrow — a nice convenience but also a risk. It's very possible that you may not be able to afford it later, but by then you'll be paying for not only the item you bought but also the high credit card interest. If you find yourself with a lot of credit card debt, consider combining these amounts and paying them off by taking out a bank loan that has much lower interest rates. Always make sure you know what the interest rates are on the credit cards and loans, as some loans may have higher interest rates.

On the bright side, if you use a credit card and make your payments on time and in full, you have the convenience of the card and you can establish a good credit rating. This will help if you want to take out a bank loan or a mortgage. Here's how to make your credit cards work for you rather than against you:

- Limit the number of credit cards you have. One is all anyone really needs.
- Pay your credit card balance on time and in full each month.
- Keep a record of all your credit card transactions.
- Keep your credit card limit low.
- Avoid using the cards for cash advances. The interest starts the minute you get the cash.



When you borrow wisely, going into debt can be a good thing. Student loans, house mortgages, and loans to start a business are all positive. However, borrowing money for something less essential is rarely a good idea.

Here are some questions to ask yourself if you're thinking about borrowing money:

- Is it worth the cost I will actually pay by the end of the loan?
- Could my financial situation change before I've paid off the loan?
- What impact will my decision to borrow have on my family and on me?
- Can I afford credit?

## Banking

There are a lot of options for banking, both in the service offered and the type of bank. The best idea is to decide what you need, then ask for information at the individual banks. The right bank account can make a difference to your balance. You might want to shop around for a bank that offers the best deal for you. There are virtual banks that have no service charges and offer free debit transactions and cheques. Sometimes, these banks are affiliated with a points program that allows you to earn credits toward future purchases.

Here are some questions to ask to figure out your banking needs:

- Do I only want to build my savings?
- Do I expect to do many transactions?
- Do I want to use the account mainly for savings and write only a few cheques?
- Will I make withdrawals and bill payments at my branch or will I use the automated bank machine?
- Will I have easy access to my chosen bank's machines, or will I be paying a higher fee to use generic money machines or a different bank's machines? These fees can really add up. Sometimes it can cost \$3.50 to pull out a quick \$20!
- Will I use telephone or Internet banking?
- Will I use a debit card for purchases?
- What will I pay in fees each month?
- What type of records do I want? (For example, do I want my cancelled cheques returned to me?)
- Can I keep track of my account activity with a basic bank book or monthly statement?

If you want to pay the least amount of service fees, there are some things you can do:

- Ask about a monthly package that provides a set fee for a certain number of transactions and services.
- Look for a virtual bank that does not charge service fees.
- Ask about an account that has no service charges if you maintain a minimum monthly balance.
- Only use the branch counter when you have a question. Fees are much cheaper if you use the phone or the Internet to pay bills or move money from one account to another.
- Many banks offer special packages to seniors and students. Ask about these.
- Use your own bank's automated bank machine to avoid paying additional service fees at other machines.
- Keep track of your bank balance and always check to make sure you have enough money in your bank account to cover the cheques you've written. Most places charge over \$40 for NSF (not sufficient funds) cheques.



The following table shows the cost to you of buying a \$1,000 item on a credit card (19%) or with a bank loan (6%) instead of paying cash. Remember that when you use a credit card to buy something and you don't pay it off after the first bill, the interest starts from the moment you purchased the item and is compounded every month until you pay your bill in full. This means that you are paying interest on interest!



### \$1,000 purchase

After 6 months		After 9 months		After 12 months		After 2 years	
CREDIT CARD	BANK LOAN	CREDIT CARD	BANK LOAN	CREDIT CARD	BANK LOAN	CREDIT CARD	BANK LOAN
\$1,098.62	\$1,031.21	\$1,151.53	\$1,047.95	\$1,206.98	\$1,065.50	\$1,456.79	\$1,144.55

Quick cash services have become a popular way for people to get advances on their paycheques. You might want to check out the interest rate and terms if you are going to use this service. While these might be helpful in the short term, most of these organizations charge approximately 600% interest annually and have other additional charges. If you find yourself using this service on a regular basis, it means it's time to look at your budget or talk to Money Mentors about options for getting your finances under control. The sooner you find out your options, the more money you will have in your pocket.

*Joe wanted to buy a special gift for his girlfriend for Christmas. He didn't have the money but knew he could get an advance on his next paycheque from a local quick cash store. His next paycheque would be \$1,000, so he qualified for a \$300 advance. On the 13th day, when he repaid the money, Joe paid \$23 for every \$100 he was loaned. It cost Joe \$69 in finance fees to borrow \$300 for 13 days.*





# Resources to Help

Sometimes, no matter how hard we try, there is still not enough money to meet our basic needs. Fortunately, there are several organizations and agencies available to help during these times.

## Money Mentors

Money Mentors offers a free Financial Needs Assessment. Online tools include spending plan forms, a budgeting workbook, a debt management quiz, educational videos and a number of financial calculators and tip sheets to help you gauge and improve your financial situation.

**moneymentors.ca**

info@moneymentors.ca

1-888-294-0076 (toll-free)

### **Calgary**

Airstate Building  
Suite 150, 1200 – 59 Ave. SE  
T2H 2M4

### **Edmonton**

Quikcard Centre  
Suite 175, 17010 – 103 Ave.  
T5S 1K7

### **Grande Prairie**

Aberdeen Building  
Suite 204-19, 9728 Montrose Ave.  
T8V 5B6

### **Lethbridge**

Idea Building  
Suite 101, 1221 – 2 Ave. S  
T1J 0E4

### **Medicine Hat**

Suite 112, 640 – 3 St. SE  
T1A 0H5

### **Red Deer**

United Way Building  
4811 – 48 St.  
T4N 1S6

# Alberta Human Services

Alberta Human Services provides financial and health benefits, child support services and employment training, along with career and workplace information, to support Albertans in need.

## Alberta Supports

Alberta Supports provides up-to-date information and assistance on Government of Alberta social-based services by helping Albertans and clients find programs they need and assisting clients in their moves from program to program as circumstances change.

### [albertasupports.ca](http://albertasupports.ca)

1-877-644-9992 (toll-free)  
780-644-9992 (Edmonton)

## Alberta Works Centres

Alberta Works Centres across the province provide information on occupations, career options, ways to find work, education programs and funding. To locate a centre near you, call the Alberta Career Information Hotline or visit [alis.alberta.ca](http://alis.alberta.ca) and scroll to "Career Services Near You."

1-800-661-3753 (toll-free)  
780-422-4266 (Edmonton)

## Income Support Contact Centre

The Income Support Contact Centre provides information and emergency services to Albertans with low-income, Income Support (IS) or Assured Income for the Severely Handicapped (AISH) clients.

### [humanservices.alberta.ca/is](http://humanservices.alberta.ca/is)

1-866-644-5135 (toll-free)  
780-644-5135 (Edmonton)

# Family supports

## Alberta Adult and Child Health Benefit

These programs help with the health-care needs of families with limited incomes.

### [humanservices.alberta.ca/hb](http://humanservices.alberta.ca/hb)

1-877-469-5437 (toll-free)  
780-427-6848 (Edmonton)

## Alberta Child Care Subsidy Program

This program provides financial assistance for child care to families with children under the age of 12 and who are not yet attending Grade 7.

### [humanservices.alberta.ca/childcaresubsidy](http://humanservices.alberta.ca/childcaresubsidy)

1-866-714-5437 (toll-free)  
780-427-0958 (Edmonton)

## *Becoming a Parent in Alberta*

This publication provides information on maternity and parental leave and employment insurance benefits.

[humanservices.alberta.ca/es](http://humanservices.alberta.ca/es) (In the left-hand menu, click on "Publications.")

## Child Support Services

The Child Support Services program is a free service that helps single parents and parents in blended families with limited incomes negotiate a child support agreement or obtain a court order. Child support can bring a greater sense of financial security and help to improve the quality of life for you and your child(ren).

### [humanservices.alberta.ca/css](http://humanservices.alberta.ca/css)

310-0000 (toll-free in Alberta; ask for the Child Support Services office in your area)  
780-415-6400 (Edmonton)  
403-297-6060 (Calgary)

# Life transitions

## Federal Benefits Programs

The Canada Revenue Agency helps eligible families with the cost of raising children under the age of 18 by providing programs such as the Canada child tax benefit (CCTB) and the universal child care benefit (UCCB).

[cra-arc.gc.ca](http://cra-arc.gc.ca) (Click on "Individuals and families" and then "Child and family benefits.")  
1-800-387-1193 (toll-free)

## Parent Link Centres

These centres offer information and support for parents and caregivers.

[parentlinkalberta.ca](http://parentlinkalberta.ca)  
310-0000 (toll-free in Alberta; ask for the centre in your area)

## Alberta Learning Information Service ([alis.alberta.ca](http://alis.alberta.ca))

To access the following job posting services and resources, visit [alis.alberta.ca/jobseekers](http://alis.alberta.ca/jobseekers).

Alberta Work Search Online—use the Internet to search for work

e-Resumé Review Service—submit your resumé online for specific feedback

To view, order or download the following publications, visit [alis.alberta.ca/publications](http://alis.alberta.ca/publications).

*Adult Back to School Planner*

*Advanced Techniques for Work Search*

*Change and Transitions: The Path From A to B*

*Education and Training Planner*

*Money 101: Budgeting Basics for Further Education*

*Workability: What You Need to Get & Keep a Job*

*Work Search Basics*



# My Spending Plan Worksheet

If your income changes from month to month, you may want to do two versions of this work-sheet: one for months when your income is higher and one for months when your income is lower. Based on all the information you have collected in the *My Expenses Worksheet*, put in the amounts in each category. For example, put the amount you pay each month for your rent or mortgage in the column under "Amount."

Monthly Expenses	Amount
<b>Housing</b>	
Mortgage or rent	
Second mortgage	
Insurance - house/ re	
Property taxes	
Condo/strata fees	
<b>Utilities</b>	
Power	
Telephone - landline and cellular phones	
Water and sewer	
Natural gas	
Internet/cable TV	
<b>Food</b>	
Grocery store	
<b>Household Incidentals</b>	
Banking fees, magazines/newspapers, alarm	
<b>Transportation</b>	
Vehicle insurance	
Gasoline, bus fare, parking	
Vehicle loan/lease payment	
Vehicle loan/lease payment	
<b>Personal Allowances</b>	
Beauty, hair, grooming	
Co ee, tea and lunches out	
Dining out - fast food and restaurants	
Alcohol, cigarettes, lottery tickets	
<b>Medical Expenses</b>	
Prescription and other monthly medical	
<b>Recreation and Entertainment</b>	
Gym membership(s)	
Movies, video games, electronics, etc.	
<b>Life Insurance</b>	
<b>Personal Loans</b>	
<b>Credit Card Payments</b>	
<b>Savings, Contributions and Donations</b>	
Savings - short term	
Savings - long term	
Charity, foster parent plan, tithe, etc.	
<b>Other</b>	
Child or spousal support	
Day care/after-school care	
Pets	
<b>TOTAL MONTHLY EXPENSES</b>	\$ <b>1</b>

Monthly Net Income (Take home)	Amount
Wages/salary	
Wages/salary	
Child tax credit	
Child/spousal maintenance	
Other regular monthly income	
<b>TOTAL MONTHLY INCOME</b>	\$ <b>2</b>

Annual Expenses	Amount
<b>Transportation</b>	
Vehicle maintenance	
Vehicle licence and registration	
<b>Clothing</b>	
<b>House Maintenance or Renovations</b>	
<b>Education</b>	
Workshops	
Tuition, books, supplies, etc.	
Certi cations and memberships	
<b>Medical Expenses</b>	
Dental, optical, orthotics, etc.	
Chiropractor, massage, etc.	
<b>Seasonal Sports and Recreation</b>	
Hockey, soccer, skiing, golf, hunting, etc.	
Piano, music, dance, etc.	
<b>Gifts and Festivities</b>	
Christmas	
All other gifts - birthdays, etc.	
Weddings	
<b>Travel and Vacations</b>	
Travel for tournaments, sports	
Vacations	
<b>TOTAL ANNUAL EXPENSES</b>	\$
<b>DIVIDED BY 12 = PER MONTH</b>	\$ <b>3</b>

<b>Total Monthly Expenses</b>	
Monthly Expenses	\$ <b>1</b>
Plus Annual/12	\$ <b>3</b>
<b>TOTAL</b>	\$ <b>4</b>

<b>Monthly Income Minus Expenses</b>	
Total Monthly Income	\$ <b>2</b>
Less Total Monthly Expenses	\$ <b>4</b>
<b>BALANCE</b>	\$





# Paycheque Planner/Money Tracker Worksheet

Here is a blank worksheet that you can use to create your own paycheque planner.

	Budget				
<b>OPENING BALANCE</b>					
<b>Income</b>					
Wages/salary (paycheque)					
Child tax credit					
Child/spousal maintenance					
Other regular monthly income					
<b>TOTAL INCOME</b>					
<b>Monthly Expenses</b>					
Housing					
Utilities					
Food					
Household Incidentals					
Transportation					
Personal Allowances					
Medical Expenses					
Recreation and Entertainment					
Life Insurance					
Personal Loans					
Credit Card Payments					
Savings, Contributions and Donations					
Other					
<b>TOTAL MONTHLY EXPENSES</b>					
<b>Savings for Annual Expenses</b>					
Transportation					
Clothing					
House Maintenance or Renovations					
Education					
Medical Expenses					
Seasonal Sports and Recreation					
Gifts and Festivities					
Travel and Vacations					
<b>TOTAL ANNUAL EXPENSES</b>					
<b>TOTAL EXPENSES</b>					
<b>CLOSING BALANCE</b>					

**CLOSING BALANCE** (total income minus total expenses): this is now your opening balance for the next payday.





📧 [info@moneymentors.ca](mailto:info@moneymentors.ca) 📞 1-888-294-0076

[moneymentors.ca](http://moneymentors.ca)

CREDIT COUNSELLING - MONEY COACHING - FINANCIAL LITERACY

**Money Mentors has responded by providing more services focused on  
developing money management skills through**

- Credit Counselling
- Corporate and Community Seminars
- Financial Literacy
- Money Coaching
- Debt Management Programs
- e Orderly Payment of Debts Program

**The Money Mentors difference**

- Service tailored to t your needs
  - Unbiased advice
  - A diverse range of experts

**Originally formed as Credit Counselling Services of Alberta in 1997,  
Money Mentors remains committed to educating Albertans in  
personal money management and the wise use of credit.**



Money Mentors is the only Alberta-based, not-for-profit credit counselling agency. Through a number of services, we help families and individuals recover from financial crisis and move forward. From credit counselling and money coaching to retirement planning and financial literacy, we're creating a healthier financial future for the entire province.



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Montrose Ave.  
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**Lethbridge**  
Idea Building  
Suite 101,  
1221 – 2 Ave. S  
T1J 0E4

**Medicine Hat**  
Suite 112,  
640 – 3 St. SE  
T1A 0H5

**Red Deer**  
United Way Building  
4811 – 48 St.  
T4N 1S6

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