

# Make your **DOLLARS COUNT.**

Budgeting Basics Booklet



## Cashco

Savings. Loans. Real World Solutions.



# Welcome!

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Welcome to The Budgeting Basics Booklet. This workbook is meant to help you build a strong foundation for a financially healthy future. Work through this book one page at a time and we promise you that you'll become more aware about your money.

## **What is a budget?**

You can think of your budget as your spending plan. Your budget is how you decide how to spend and save your money. This should be a complete view of your financial wellness: Living expenses, debt, financial goals, and the “fun stuff” in life.

Within your budget, you consider every dollar and give it a job (even if that job is to be a “cushion”).

## **What are financial goals?**

When you're budgeting, you need to have a clear vision for what you want to achieve. These are your goals, and they need to align with your values and the way you live your life.

Your goals can be short-, medium-, and long-term. They should reflect what you most want out of your life.

**Short-term goals** (less than 1 year) could look like:

- An emergency fund
- A weekend getaway
- Your kids' back-to-school clothes

**Medium-term goals** (about 1-3 years) could be:

- A family vacation
- Paying off credit card debt
- Saving for a down payment on your next home

**Long-term goals** (3+ years) could be:

- Your retirement
- Paying off student loans
- Contributing to your kids' post-secondary tuition





# Planning My Financial Goals

A clear vision is important. Fill out the below worksheets before continuing with your financial planning. We've given you an example on the first line of what yours might look like.

**Remember:** Short-Term Goals are usually less than a year.

Short-Term Goal	Time to Save	\$\$ Amount	Required Action
<i>Marie's back-to-school clothes</i>	<i>3 months</i>	<i>\$300</i>	<i>Save \$50 per paycheque</i>

**Remember:** Medium-Term Goals are usually 1-3 years.

Medium-Term Goal	Time to Save	\$\$ Amount	Required Action
<i>Paying off credit card debt</i>	<i>2 years</i>	<i>\$2,400</i> <i>*Don't forget interest</i>	<i>Contribute \$140 each month. Stop using cards.</i>

**Remember:** Long-Term Goals are usually anything over 3 years (and can sometimes go for decades!).

Long-Term Goal	Time to Save	\$\$ Amount	Required Action
<i>Pay off student loans</i>	<i>10 years</i>	<i>\$20,000</i>	<i>Set auto-withdrawal to \$170 per month</i>

**Notes:**

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# Knowing Your Income

You can't know how much you can save and spend without knowing how much money is coming into your pocket! In other words, you need a good grasp on your income.

You need to properly track how much money is coming in, when that money is coming in, and where the money is coming from. Income is different for everyone; some people have steady jobs, others have project- or contract-based work, some of us have government support (e.g. Child Tax Credit), and some of us receive spousal support and/or child support.

You need to record all of your income channels. Fill out the below income worksheet.

Income Sources Each Month	Required Action
Primary Income AFTER taxes / deductions	
Secondary Income AFTER taxes / deductions	
Spousal Support	
Child Support	
Child Tax Credit	
Other	
Other	
<b>Total Monthly Income</b>	

Other Income Sources	How Often	\$ Amount
Work bonus		
Tax refund		
Other		
Other		
<b>Total Other Income</b>		

**Notes:**

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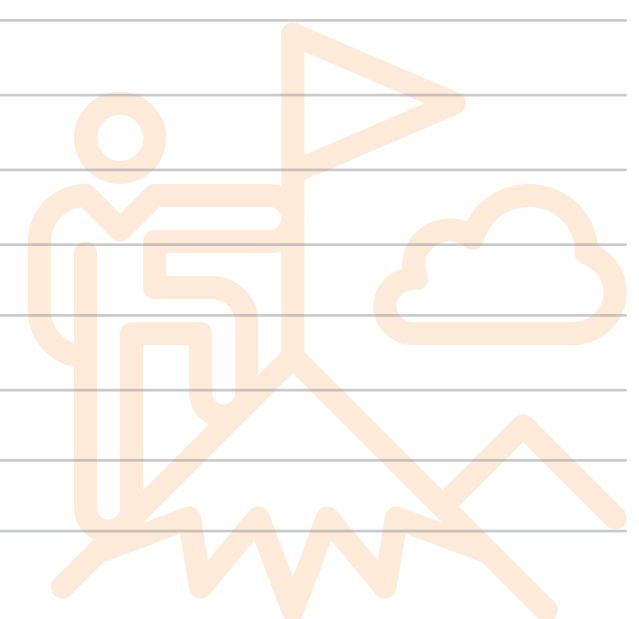
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# Spending Your Money

In the next section, you're going to make your budget, but we need you to do something first. We need you to figure out how you're spending your money each month.

To do this, you need to keep track of every time money is going out of your pocket. That can be through cash, debit, or credit. We recommend picking up a notebook from your local dollar store (maybe get some envelopes while you're there).

There are also different kinds of expenses that will pop up throughout the year.

## Fixed Monthly Expenses

These are the reliable ones. You know you will be paying the exact same amount (or at least pretty darn close) for this same expense each month, such as your mortgage, car payment, etc.

## Variable Monthly Expenses

Variable monthly expenses are not as predictable as fixed monthly expenses. The amounts are not the same every month, and some months you might not even need to pay anything on this expense (such as clothes shopping).

The best way to handle this is through tracking and averaging. If you usually spend between \$350-450 on groceries every month, it's best to prepare by allocating \$450 to your groceries budget. If you don't spend the full \$450... great! You now have options for what you can do with your extra money at the end of the month.

## Annual Expenses

These are the expenses that you only see once a year, such as your kids' school fees, car registration, etc.

When you're budgeting, you want to save for these annual expenses throughout the year in a separate account.

Here's an example of a way you can track in your notebook:

### November 2021

Date	Description	\$ Amount	Paid with
Nov 01	Rent	\$1,300	Auto Debit
	Internet	\$78	Credit Card
Nov 03	Groceries	\$130	Debit Card
Nov 04	Gas for Car	\$55	Cash

### Notes:

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# My Budget

When making your spending plan, the goal is to have less money going out (spending) than coming in (income). That's referred to as a surplus. If you are spending more money than you have coming in, that's called a deficit, and you need to find a way to reduce spending so that you can be back in the positive.

Monthly Income	\$ Amount	Date
Primary income AFTER taxes or deductions		
Secondary income AFTER taxes or deductions		
Spousal Support		
Child Support		
Child Tax Credit		
Other		
Other		
<b>Total Monthly Income</b>		

Notes:

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Monthly Expenses	\$ Amount	Payment Date
<b>Housing</b>		
Mortgage or rent		
Second mortgage or rent		
Insurance		
Property Tax		
Condo Fees		
Other		
<b>Utilities</b>		
Phone (landline and/or cellphone)		
Water		
Heat		
Electricity		
Internet		
<b>Food</b>		
Groceries		
Restaurants		

*Continued on next page ...*

Monthly Expenses	\$ Amount	Payment Date
<b>Transportation</b>		
Vehicle payments		
Gas		
Vehicle Insurance		
Property Tax		
Parking		
Bus fare		
<b>Personal Allowance</b>		
Beauty, hair, grooming, etc.		
Clothing		
Subscriptions (magazine, apps, etc.)		
Other		
<b>Health and Medical Expenses</b>		
Drug Perscriptions		
Gym Membership		
Life Insurance		
Health Insurance		
Other		

Monthly Expenses	\$ Amount	Payment Date
<b>Recreation and Entertainment</b>		
Movies, video games, music, etc.		
Sports equipment, fees, etc.		
Other		
<b>Recreation and Entertainment</b>		
Credit Card #1		
Credit Card #2		
Savings Goal #1		
Savings Goal #2		
Registered Retirement Savings Plan		
Registered Education Savings Plan		
Student Loan		
Personal Loan		
<b>Other</b>		
Donations, charity, etc.		
Child Support		
Spousal Support		
Daycare		
Pet Insurance		

*Continued on next page ...*

Annual Expense Planning	\$ Amount	Payment Date
Vehicle license and registration	/month	
Gifts (e.g. Christmas, birthdays, ect.)	/month	
School Tuition	/month	
Other	/month	

<b>Total Monthly Income</b>	
<b>Total Monthly Expenses</b>	

**Total Surplus or Deficit:** \_\_\_\_\_

**Notes:**

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## Making Your Budget WORK

A budget isn't much good if you don't stick to it. We recommend choosing different methods to work with your budget. Here are some suggestions to help:

### *The Spreadsheet Method*

We already talked about the notebook method on a previous page. The spreadsheet method is the same idea on the computer! There are plenty of phone apps you can use too. Getting digital can make it even easier to track your expenses.

### *The Envelope Method*

Use multiple envelopes to organize your budget's spending categories (e.g. Food, Personal Allowance, Transportation, etc.). Put hard cash into each envelope so that when the money is gone... well, it's gone.

### *The Calendar Method*

Get an annual calendar that's dedicated to your spending plan (both income and expenses). Mark all of the dates when money is coming in and money is going out.

We also want you to know that if you don't stick to your budget perfectly... that's okay. We're not perfect, and that's the truth when it comes to our finances too.

Keep doing your best and a healthy financial future is sure to come your way.

Before you go ...

Are you looking for more tips and tricks, tools and resources? Visit our Financial Literacy page at [cashcofinancial.com/its-lit/](http://cashcofinancial.com/its-lit/) for more!





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