

# Credit Counselling Society Presents

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## Making Cent\$ of Money: Budgeting 101

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We Help. We Educate. We Give Hope.



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# Top Reasons We See for Financial Trouble

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1. Unemployment / Underemployment
2. Excessive use of Credit or Using Credit for Living Expenses
3. Injury / Illness
4. No Budget / Lack of Financial Education
5. Separation / Divorce and Family Expenses
6. Failed Business/Used Credit for Business Expenses
7. High Housing Costs

# Agenda



- Budgeting
- Money Values & Goal Setting
- Expense Tracking
- Irregular, Emergency, and Savings Expenses
- Paycheque Planning

# Objectives



By the end of this session, you will be able to:

- Reflect on your money values & goals
- Understand how tracking helps you budget successfully
- Manage your irregular and emergency expenses
- Create and organize your savings



What does being better  
with your money mean to  
you?

# Being Better Means:



- Reduced stress
- Better sleep
- Control of my money
- Hope



What comes to mind  
when you hear the  
word “**budget?**”



# A Budget is:



- A written spending plan
- Spending now and saving to spend later
- Based on our own choices and priorities

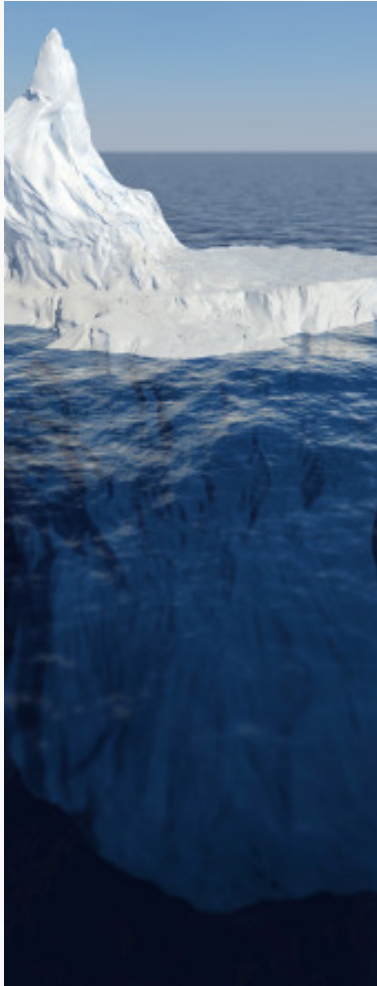
# A Budget Includes:



- Our take-home (net) pay
- Our monthly living expenses
- Irregular expenses
- Emergency expenses
- Savings expenses

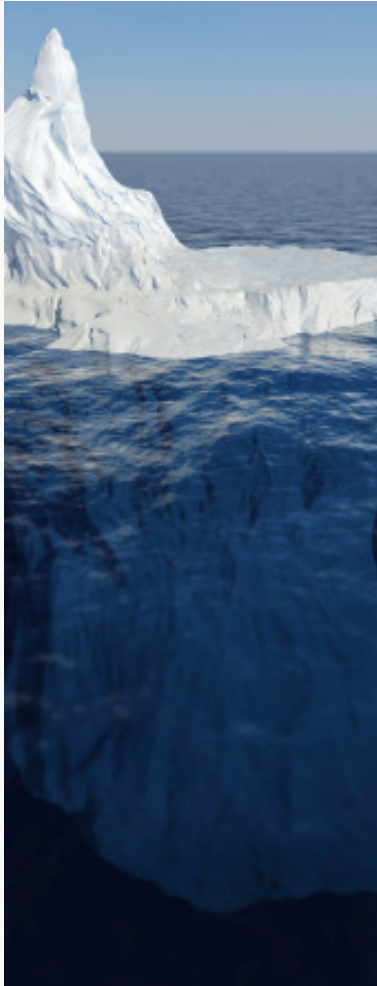
# Money Values

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What does money mean to you?

# Money Values



- Common money values:
  - Safety and Security
  - Freedom + Choices
  - Independence
  - Ability to give
  - Comfort
  - Adventure

# Setting Goals



- Goals will guide your decisions and help you determine how to spend your money
  - Short term: 6 – 12 months
  - Medium term: 3 – 5 years
  - Long term: 10 – 15 + years
  - Break your goals down into realistic amounts, according to your pay cycle

# Set SMART Goals



- Set SMART goals for the choices you make!
  - Specific
  - Measurable
  - Achievable
  - Relevant
  - Timed

# Set SMART Goals



- Goal setting in action:
  - My goal is \_\_\_\_\_
  - I want to achieve it \_\_\_\_\_
  - The total cost of my goal is \$\_\_\_\_\_
  - I will set aside \$\_\_\_\_\_ / pay to achieve this goal.

# Set SMART Goals



- Goal setting in action:
  - My goal is a staycation.
  - I want to achieve it in one year.
  - The total cost of my goal is \$1000.
  - I will set aside \$39 / bi-weekly pay to achieve this goal.

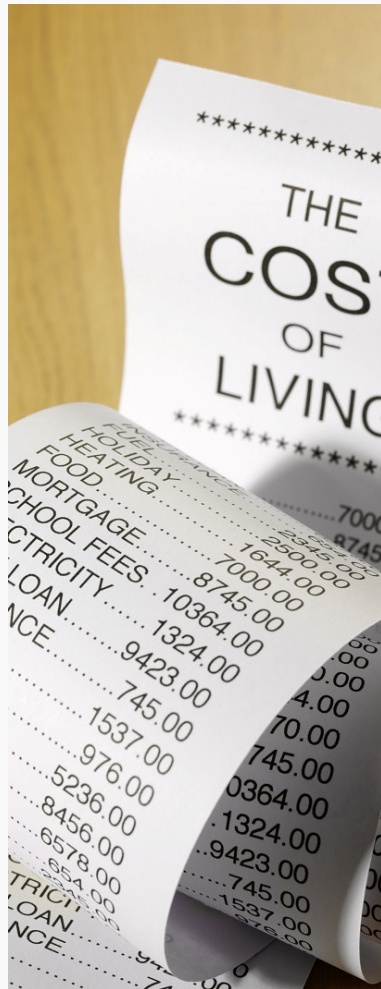


# Goal Setting Tips



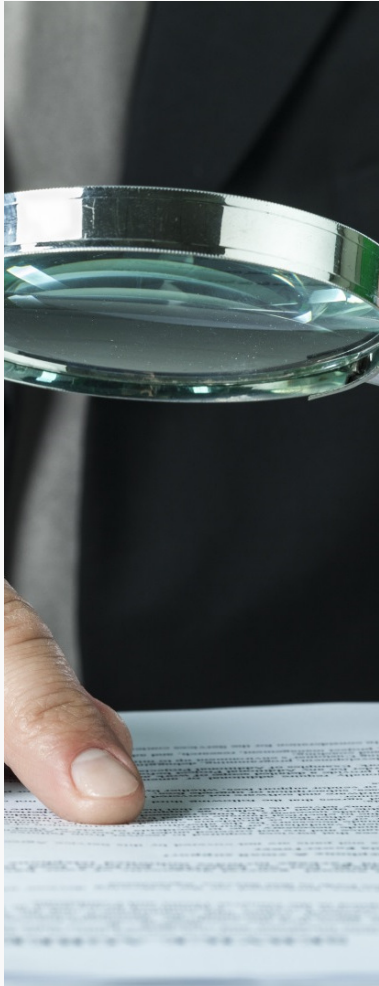
- Set clear goals – life happens so they may change over time, and that's ok
- Pay yourself FIRST!
  - Make savings automatic
- Use separate accounts for each goal
  - Watch for fees

# Expense Tracking



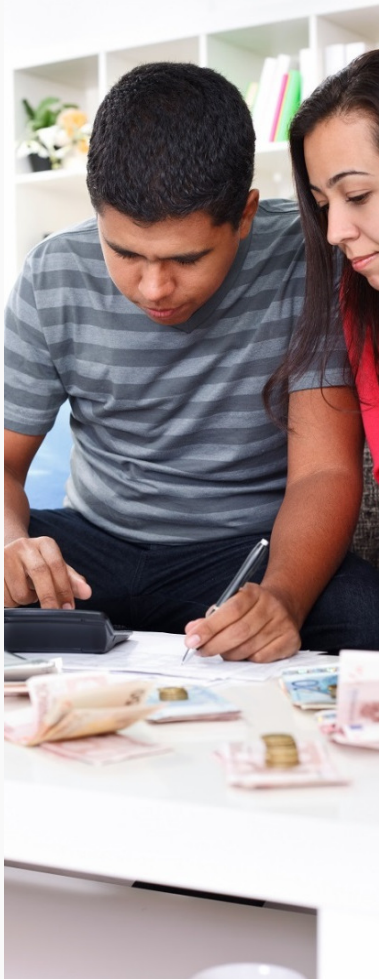
Do you know where your money went last month?

# Expense Tracking



- Tracking makes a budget work!
- It tells us the truth
- It shows our habits
- It shows where we can make changes
- It gets us in control

# Ways to Track Expenses



- Pen & paper
- CCS tracking booklet
- Spreadsheet
- Envelope method
- Smartphone app
- Start with a few categories
  - Find the system that works for you!

# Irregular Expenses



What are some expenses that occur once in a while?

# Irregular Expenses

Housing	Living	Work	Personal
Property taxes*	Car insurance*	Special clothing	Clothing/ shoes <b>\$300</b>
City utilities*	Auto maintenance <b>\$500</b>	Work supplies	Education
Repairs & maintenance	Annual memberships	Licenses or professional fees	Holidays/ birthdays <b>\$750</b>
Household items <b>\$300</b>	Dentist/ Optometrist <b>\$300</b>		Hair care/salon services <b>\$250</b>
Appliances	Pet bills <b>\$400</b>		Hobbies
Home insurance*	Prescriptions <b>\$200</b>		<b>Example Total = \$3,000</b>

# Managing Irregular Expenses



- Create a plan to deal with them!
  - Open a new bank account
  - Add up total cost of annual irregular expenses
  - Divide by 12 or 26
  - Deposit this amount into the new account
  - Track the “ins” and “outs”

# Managing Irregular Expenses



- Example:
  - Annual irregular expenses: \$3000
  - Monthly deposit: \$250/month
  - Biweekly deposit: \$116/pay
  
- Keep in a separate bank account!



# Emergencies

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What are emergency expenses?

# Emergencies



- Emergencies happen!
  - We just don't know when, what, or how much they will cost us!
- An emergency fund will turn most emergencies into inconveniences.
- Short-term: aim for \$1000
- Long-term: 3-6 months' expenses

# Manage our Savings



How can we keep our savings safe from ourselves?

# Manage our Savings



- Some ideas:
  - Remove ATM/debit access to savings
  - Joint account
  - Automatic transfers
  - Go into the branch to withdraw cash
  - Sandwich Bag Method
  - Top Up/Round Up Option

# How to Build Savings



- If you receive a lump sum of money, use the 40-40-20 rule:
  - 40% goes into savings
  - 40% goes to repay debt
  - 20% is for fun!

# 52 Week Money Challenge

Week	Deposit	Balance	Week	Deposit	Balance	Week	Deposit	Balance
1	\$1	\$1	18	\$18	\$171	35	\$35	\$630
2	\$2	\$3	19	\$19	\$190	36	\$36	\$666
3	\$3	\$6	20	\$20	\$210	37	\$37	\$703
4	\$4	\$10	21	\$21	\$231	38	\$38	\$741
5	\$5	\$15	22	\$22	\$253	39	\$39	\$780
6	\$6	\$21	23	\$23	\$276	40	\$40	\$820
7	\$7	\$28	24	\$24	\$300	41	\$41	\$861
8	\$8	\$36	25	\$25	\$325	42	\$42	\$903
9	\$9	\$45	26	\$26	\$351	43	\$43	\$946
10	\$10	\$55	27	\$27	\$378	44	\$44	\$990
11	\$11	\$66	28	\$28	\$406	45	\$45	\$1,035
12	\$12	\$78	29	\$29	\$435	46	\$46	\$1,081
13	\$13	\$91	30	\$30	\$465	47	\$47	\$1,128
14	\$14	\$105	31	\$31	\$496	48	\$48	\$1,176
15	\$15	\$120	32	\$32	\$528	49	\$49	\$1,225
16	\$16	\$136	33	\$33	\$561	50	\$50	\$1,275
17	\$17	\$153	34	\$34	\$595	51	\$51	\$1,326
						<b>52</b>	<b>\$52</b>	<b>\$1,378</b>

# Paycheque Plans



We all have 3 kinds of expenses:

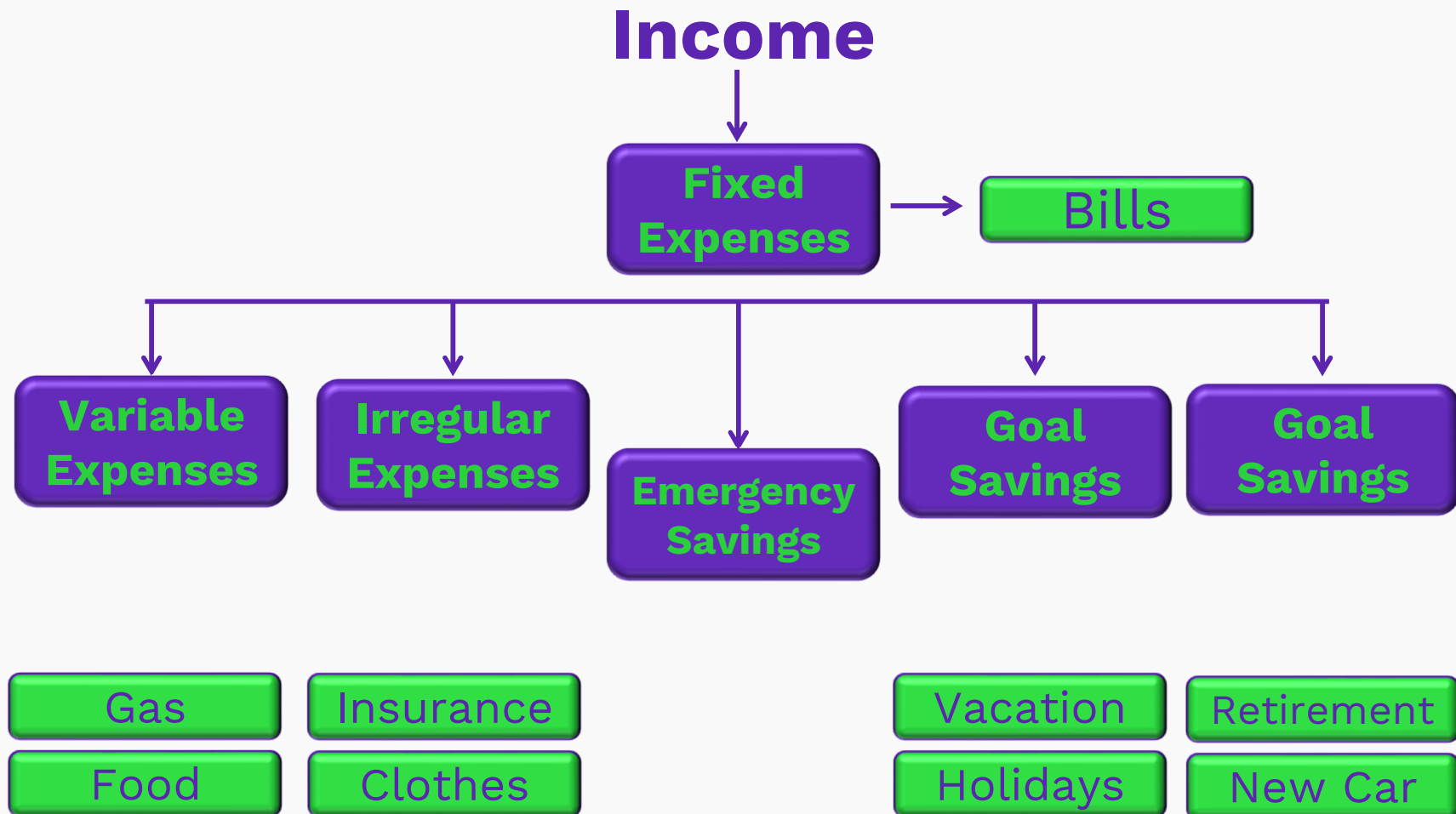
- Fixed expenses
  - Same date & amount each month
- Variable expenses
  - Regular but amounts & dates change
- Savings expenses
  - Irregular, emergency, goal savings

# Paycheque Plan your budget (\$2815)

Fixed Expenses	Cost	Variable Expenses	Cost	Savings Expenses	Savings Type	Cost
Rent	\$1200	Groceries	\$250	Car Maintenance	Irregular	\$50
Electricity	\$50	Personal Care	\$35	Clothing/Shoes	Irregular	\$25
Cell Phone	\$70	Gasoline	\$150	Gifts/Occasions	Irregular	\$65
Cable/Internet	\$60	Entertainment	\$35	Medical/Dental	Irregular	\$50
Tenant Insurance	\$50	Lunches & Breaks	\$40	Household/Pets	Irregular	\$60
Car Insurance	\$150	Eating Out	\$35	RRSPs	Goal	\$50
Debt Payments	\$300	Parking	\$25	Emergency Savings	Emergency	\$50
Bank Fees	\$15					
Total	\$1895	Total	\$570		Total	\$350
Per bi-weekly pay	\$948	Per week	\$143		Per bi-weekly pay	\$175



# Organize Your Money



# Cutting Back Credit



- VISA Debit / Debit MasterCard
- Pre-paid credit card
- Secured credit card
- Paypal
- E-transfers
- Gift cards
- Cash

# Your Next Steps



- Track your expenses
- Revise your budget
- Create a plan for irregular expenses
- Create an emergency fund
- Track and check how you're doing
- Free tools and resources available at: [www.mymoneycoach.ca](http://www.mymoneycoach.ca)

# Conclusion



Now you are able to:

- Reflect on your money values & goals
- Understand how tracking helps you budget successfully
- Manage your irregular and emergency expenses
- Create and organize your savings



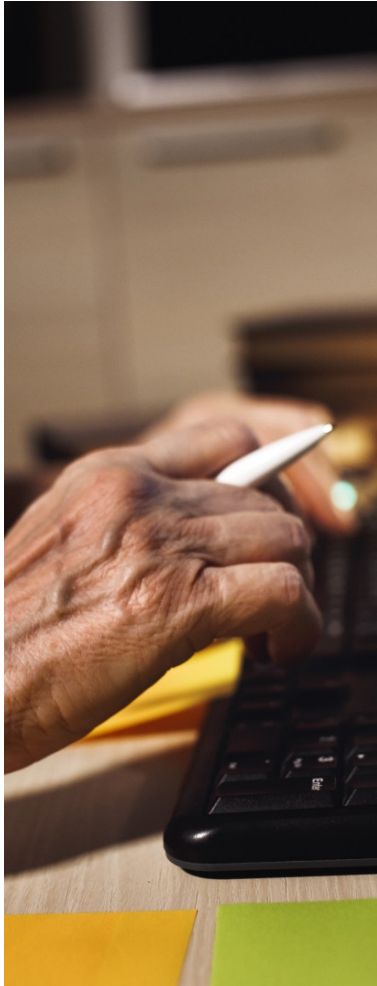
# ADDITIONAL RESOURCES

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Some helpful  
resources for  
you to get  
started

# Learn More

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 Twitter - @MyMoneyCoach\_ca

 Instagram - @MyMoneyCoach

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- Check out our social media for daily tips/articles
- Subscribe to our blog
- Follow us on Social Media

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1. Using **#LearnWithCCS**, share your experience on social media by commenting on any of our posts *or* making your own.

**Every comment or post gives you 3 entries for the draw!**



We Help. We Educate. We Give Hope.

# We Want Your Opinion

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**QR Code**



**Survey Monkey**



<https://www.surveymonkey.com/r/6CNYLD6>



# How We Help



Book a free financial consultation with  
one of our Credit Counsellors

**1-888-527-8999**

Message us through our online chat

**[nomoredebts.org](https://www.nomoredebts.org)**