

Budgeting 101



Month at a glance:

The money I have coming in is:

The money I'm spending is:

This leaves me with:

Income	
Regular monthly salary	
Regular self-employment income	
Any additional income	
My partner's monthly income	
Child support income	
Canada Child Tax Benefit	
Government assistance (EI, PWD, PWPMB, etc.)	
Money coming from line of credit, loan	
Retirement income (Pension, RRIF, etc.)	
Other	
Total income >	

Variable spending ~ "Wants"	
Entertainment	
Going out (Concerts, movies, etc.)	
Eating/drinking at restaurants & bars	
Take-out food	
Travel	
Other	
Shopping	
Clothing and footwear	
Personal care (Toiletries, hair care, makeup)	
Gifts	
Education (Books, tuition, etc.)	
Pets (Toys, treats, etc.)	
Other	
Total variable spending >	

Necessary spending ~ "Needs"		
Housing - if you rent		Health
Rent		Dental
Tenant's insurance		Glasses/lenses
		Medication
Housing - if you own		Health insurance (Life, disability, etc.)
Mortgage payments		Other
House insurance		
Property taxes or condo fees		
Services		Child care
Housing: Gas		Daycare
Housing: Electricity/Hydro		Babysitting
		Child support payments
Landline telephone		Other
Cable/TV/Netflix		
Internet		Food
Cellphone		Groceries
Other		
Transportation		Pets
Transit pass		Pet food
Car licensing and registration		Pet healthcare
Car insurance		
Car loan payment		Financial
Gas		Banking fees
Parking		Credit card fees or debt payments
Car repairs		Loan or line of credit repayments
Other		Transfers to savings
		Other
Total necessary spending >		

This document provided by:
For more information, visit
www.hivhousingtoolkit.ca



These resources should not be considered as legal advice. If you have questions about a specific case, please consult a lawyer.

BUDGETING TIPS

Budgeting can be tricky. Sometimes, hard decisions have to be made. This tool is built to help make some of those difficult choices - recognizing that the best way forward is the one that most reflects your priorities, whatever they are, and gives you the highest quality of life possible.

How to start

✓ **First, put in your income.**

It's best to start with income you can count on; consider any regular salary or government assistance.

✓ **Next, it's usually a good idea to start with your fixed costs (things that don't change) - stuff like your rent, transit pass.**

Some people find it helpful to put in the biggest costs first, then take stock: How much do you have leftover so far? Then, put in necessary costs that change from one month to the next. Consider things like hydro and gas bills, medication, babysitting. How much does this leave you? Finally, put in your "wants" spending - things you don't necessarily need.

Balancing your budget

✓ **A balanced budget is one in which you're spending less than or equal to the amount of income you're getting.**

It's important because a balanced budget is the only sustainable way to live. You might be able to spend more than you earn occasionally, but it will create problems if it happens more than once in a while. It's much harder to get out of debt than preventing it.

✓ **If you're far off your income level, it may be helpful to remove all variable spending to see what effect that has.**

Delete all your entertainment and shopping costs. Spending still close to your income? You may need to consider making changes to big-ticket items. Take a look at the most expensive costs you have: Could any of these change? For example, could you change your cellphone plan, get rid of a subscription service like cable, or take public transit instead of owning a car?

✓ **If you can pay all your necessary costs without spending more than your income, it's time to look at your variable "wants" spending.**

What are the most important? What contributes most to your quality of life? For example, would you really miss going out with friends to a bar or restaurant? Do you love being able to give your pet new toys or treats? Put in budget amounts for your "extra" spending, starting with the things that are most important to you.

✓ **Is your housing cost unsustainable?**

Housing costs are typically considered to be a risk if they're over 30% of your income. How does your rent compare? (Multiply your income by 0.3 to see what 30% would be.)

✓ **Hard to balance the budget?**

It can be helpful to start a new "theoretical" budget - delete everything but the most fundamental things. Then, add in your costs one by one, in order of priority: What do you most need to have a healthy, good life? Check the budget total at the top of the page as you go.

✓ **Keep trying different scenarios.**

It may be helpful to save multiple copies of this file if you're working on the computer. If you're working on paper, maybe have multiple copies. In each version, try out different scenarios: What if you got rid of your TV services and changed to a bank with lower fees? What if you stopped buying pre-made food and cooked more at home? What if you moved? This way, you can play around with different ideas and see what works to make a balanced budget, while recording your ideas.