

7 Steps to a Budget Made Easy

Is the economic downturn causing you to consider your personal financial situation? You may be worried about losing your job or how much debt you have. Avoid a potential personal financial crisis; get back to basics with a budget you can stick to. Here's how to start:

Step 1: Set Realistic Goals

Goals for your money will help you make smart spending choices. Ask yourself: What do I want my finances to look like in one year? Decide what's important to you and start there.

Step 2: Identify your Income and Expenses

You probably know how much you earn each month - but do you also know where it all goes? Find out by tracking what you're spending. Spend as you normally would, but for a few weeks, jot down every cent you spend. It's easy and you might be amazed by what you find out.



Step 3: Separate Needs and Wants

Ask yourself: Do I want this or do I need it? Will spending this money get me closer to my financial goals or further away? Can I live without it? Set clear priorities for yourself and the decisions become easier to make.

Step 4: Design Your Budget

Make sure that you are not spending more than you make. Balance your budget to accommodate everything you need to pay for.

Step 5: Put Your Plan into Action

Match your spending to when you receive your income. Decide ahead of time what you'll use each pay cheque for. Ask yourself: Have I allocated money for my necessities (housing, food, utilities, transportation, etc.)? Have I put money aside for my debt payments, unexpected expenses, savings and the fun stuff? This will protect you from going into debt further because you won't rely on credit to pay for your living expenses.

Step 6: Seasonal Expenses

You know that things will "just come up" - school expenses, new shoes or an annual membership. Set money aside to pay for these expenses so you can afford them without going into debt.



Step 7: Look Ahead

Getting on track with a budget can take a month or two. You've lived all this time without a spending plan, so give yourself time to adjust. Don't be afraid to ask for help if things aren't falling into place - we're just a phone call away.

For more information about budgeting, the wise use of credit and options for dealing with debt, please contact the Credit Counselling Society at **1.888.527.8999** or log onto **www.NoMoreDebts.org**.

We are a non-profit service, helping individuals and families with free, confidential, and unbiased counselling, information and referrals.