

# Developing a Personalized Financial Plan

ONTARIO EDITION

- A budget contains a list of your planned and actual expenses and your income, which includes all of the money you receive from work, government and investments.
  - Income does not include sources of credit.
- Using a budget helps you see exactly how you are spending your money so that there are no surprises.
- A budget benefits you, so it is important to be honest with yourself when you are creating your budget.



**NICE**

National Initiative for the Care of the Elderly

Initiative nationale pour le soin des personnes âgées

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*Ensemble pour le bien-être des aînés*

[www.nicenet.ca](http://www.nicenet.ca)

## HOW DO I CREATE A BUDGET?

### *Step One: Track Your Monthly Income and Expenses*

- Keep all pay stubs, bills and receipts for cash purchases to help you figure out what your monthly income and expenses are.

### *Step Two: Record Your Monthly Income and Expenses*

- List all of your monthly income and expenses.
- Use a budget worksheet to add up your income and expenses for the last month.
- If you have certain expenses that are paid annually, divide the number by 12 to determine your monthly cost.
- Continue tracking your income and expenses in this way every month.

### *Step Three: Calculate Your Total Money Available*

- Subtract your total monthly expenses from your total monthly income to get your *Total Money Available per month*. Finally, subtract any loan and credit card payments from your *Total Money Available per month* to see if you have money left over or not.
- If you do not have enough income to pay your expenses, you need to look over your budget and see where you could spend less money.

## SAMPLE MONTHLY BUDGET

### INCOME

Salary or benefits (after tax and other deductions)	\$	
Government Benefits for Retirement (CPP, OAS, GIS and GAINS)	\$	
Income From Registered Investment Products (RDSP, RRSP, RRIF)	\$	
Annuities	\$	
Foreign Pensions	\$	
Workplace Pension Plan	\$	
Worker's Compensation	\$	
Ontario Disability Support Program (ODSP)	\$	
Ontario Works (OW)	\$	
Ontario Senior Homeowners' Property Tax Grant	\$	
GST/HST Credit	\$	
Ontario Energy and Property Tax Credit (OEPTC)	\$	
Ontario Sales Tax Credit (OSTC)	\$	
Self Employment Income	\$	
Interest and Investment Income	\$	
Other Sources of Income	\$	
<b>TOTAL MONTHLY INCOME</b>	<b>\$</b>	

## SAMPLE MONTHLY BUDGET

EXPENSES	
<b>Housing Expenses</b>	
Rent/Mortgage	\$ _____
Condo Fees	\$ _____
Property Taxes	\$ _____
Cable/Internet/Telephone/Cell Phone	\$ _____
Repairs and Maintenance	\$ _____
Heat/Air Conditioning	\$ _____
Hydro/Hot Water Tank Rental	\$ _____
<b>Living Expenses</b>	
Gas/Car/Public Transit/Taxi	\$ _____
Insurance (Life, Health, Travel, Home, Disability, Car, etc)	\$ _____
Food	\$ _____
Clothing	\$ _____
Medications and Other Medical Expenses	\$ _____
Dental Care	\$ _____
Laundry	\$ _____
Pets	\$ _____

## SAMPLE MONTHLY BUDGET

EXPENSES	
<b>Personal Expenses</b>	
Savings	\$ _____
Magazines/Books/Newspapers	\$ _____
Eating Out (Restaurants/Cafes)	\$ _____
Recreation/Entertainment (Movies, Bingo, etc)	\$ _____
Personal Grooming (Hair/Cosmetics, etc)	\$ _____
Gifts/Donations	\$ _____
Bank Fees	\$ _____
Cigarettes/Alcohol	\$ _____
Other Expenses	\$ _____
<b>TOTAL MONTHLY EXPENSES</b>	<b>\$ _____</b>
<b>TOTAL MONTHLY INCOME</b>	<b>\$ _____</b>
<b>TOTAL MONTHLY EXPENSES</b>	<b>- \$ _____</b>
<b>TOTAL MONEY AVAILABLE PER MONTH (Total income minus total expenses)</b>	<b>= \$ _____</b>
<b>Minus LOAN PAYMENT</b>	<b>- \$ _____</b>
<b>Minus CREDIT CARD PAYMENT</b>	<b>- \$ _____</b>
<b>SURPLUS/DEFICIT</b>	<b>= \$ _____</b>

## HOW DO I STAY ON BUDGET?

Be honest and realistic. Spend less than you earn. Make sure you list everything. Set short-term (pay off total credit card balance) and long-term goals (savings).

- Know the difference between needs and wants. If you do not *need* to purchase something, consider putting the item back on the shelf.
- Comparison shop by buying groceries on sale or at less expensive supermarkets. Comparison shop for services, such as phone providers and insurance.
- Use coupons, and find out which stores give seniors a discount.
- Use credit cards only for emergencies.
- Pay off your total credit card balances before the due date each month to avoid paying interest and other fees.
- Learn to say “no” when kids, relatives, and friends ask for money.
- Save regularly into a no fee savings account.
- Update your budget every month. If circumstances change (e.g., change in income), remember to add the changes to your budget.

## HOW CAN I INCREASE MY SAVINGS?

- A standard guideline is to save at least 10% of your pay (e.g., If you make \$1,000 a month, try to save \$100 from your pay).
- If you have a lot of debt or if you have high interest debt, concentrate on paying off the debt before trying to save.
- If your income changes each month, adjust your savings accordingly.
- Build precautionary and longer-term savings into your monthly budget. Consider putting \$10 per week into an account to cover emergencies, unexpected increases in expenses, and declines in income.
- You might look into setting up an automatic savings program with your bank.
- Each year, challenge yourself to reach a higher savings goal.

For a list of Free Toronto Public Health Dental Care Clinics for Seniors (65+) in Toronto, please access the following website:

[www.toronto.ca/health/dental/seniors.htm](http://www.toronto.ca/health/dental/seniors.htm)

For a list of institutions that offer low cost dental treatment in Toronto, see:

[www.toronto.ca/health/dental/pdf/ds\\_low\\_cost.pdf](http://www.toronto.ca/health/dental/pdf/ds_low_cost.pdf)

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