

Developing a Personalized Financial Plan

BRITISH COLUMBIA 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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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)	\$	_____
Income From Registered Investment Products (RDSP, RRSP, RRIF)	\$	_____
Annuities	\$	_____
Foreign Pensions	\$	_____
Workplace Pension Plan	\$	_____
Worker's Compensation	\$	_____
BC Employment and Assistance (BCEA)	\$	_____
Hardship Assistance (HA)	\$	_____
Shelter Aid for Elderly Renters (SAFER)	\$	_____
Senior's Supplement	\$	_____
GST/HST Credit	\$	_____
BC Low Income Climate Action Tax Credit	\$	_____
Basic Home Owner Grant	\$	_____
Additional Home Owner Grant	\$	_____
BC Extended Family Program	\$	_____
Self Employment Income	\$	_____
Interest and Investment Income	\$	_____
Other Sources of Income	\$	_____
TOTAL MONTHLY INCOME	\$	=====

SAMPLE MONTHLY BUDGET

EXPENSES

Housing Expenses

Rent/Mortgage	\$	
Condo Fees	\$	
Property Taxes	\$	
Cable/Internet/Telephone/Cell Phone	\$	
Repairs and Maintenance	\$	
Heat/Air Conditioning	\$	
Hydro/Hot Water Tank Rental	\$	

Living Expenses

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

Personal Expenses

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	\$	

TOTAL MONTHLY EXPENSES	\$	
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TOTAL MONTHLY INCOME	\$	
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TOTAL MONTHLY EXPENSES	- \$	
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TOTAL MONEY AVAILABLE PER MONTH (Total income minus total expenses)	= \$	
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Minus LOAN PAYMENT	- \$	
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Minus CREDIT CARD PAYMENT	- \$	
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SURPLUS/DEFICIT	= \$	
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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 clinics that offer low cost dental treatment in your area, see the following:

- a) Website: www.bcdental.org/Find_a_Dentist/ReducedCostClinics.aspx or call: 604-736-7202 or Toll-free: 1-888-396-9888
- b) Call the BC Ministry of Social Development: 604-660-2421 or 1-800-663-7867.

This is one of the series of Financial Literacy for Older Adults pocket tools. For more information about NICE tools or related training events, please visit

www.nicenet.ca

Disclaimer

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**Status of Women
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