

## Module 3 - Budgeting

## HANDOUT 3-8

### Budgeting tips

**Remember your goals.** Write them down. Put them where you can see them often and easily. Tack a list on the fridge. Or put a copy in your wallet next to your cash.

**Be realistic.** Connect your spending to your values. You need to be realistic about what you can live without and what you can't. This will help you find ways to spend less and to save.

**Make it simple.** If your budget is too complex, you are less likely to stick to it. Use a system that is simple and easy to maintain.

**Keep a record.** Choose the best way for you to keep track of your spending. Your record might be in a little notebook or on the computer. Some people put money for certain things in little envelopes or jars. The important thing is that it works for you.

**Stay organized.** You need to know where your financial records are and review them regularly. This saves time and reduces stress. You can keep all your financial documents in a binder or a set of folders. Organize the binder or folders by item (for instance, bills, credit card statements, tax documents). Update your record system each year.

**Use your bank to help you manage your money.** At the bank, you should have a working account for paying your bills and taking out money. Open a savings account for your savings goals. If you get a regular income, set up your account so that it automatically transfers some money to your savings account each time you get paid. Remember, *pay yourself first*.

**Include debt and savings in your budget.** Use your monthly budget to reduce debt and increase savings. Otherwise, debt can grow out of control, while savings disappear.

**Paycheque plan.** Plan your bill paying for when you get paid, so that you know which paycheque will cover what expense.

**Plan for change.** Our expenses change. Our income changes. Our goals change. That is why you should review your budget regularly.

**Be patient.** The first few weeks of using a budget to guide your spending are often the hardest. Old habits can be hard to break and new ones hard to make. As time passes, you will grow more comfortable working with your budget.

**Look for support.** If you find you are getting off track, share your budget with someone you trust. Ask them to help you review your progress each month. To stay motivated, read about people who are in control of their money and meeting their goals.