

# CUT COSTS WITHOUT FEELING THE BURN

HOW TO LIVE WITHIN YOUR MEANS AND BE HAPPY.



If you want to save money it's clear that you must spend less than what you make. With poor saving trends seen across the country, good saving habits can help you get ahead and stay ahead. Below you'll find a number of simple methods for living within your income and banking a portion of it as well.

## Go digital.

There are computer software programs that can help you track your spending. You can also track your spending online—most banks and credit card companies allow you to view or download your statements onto your computer.

## Where does it go?

Assess your cash flow by completing the handy worksheet on the back of this page. Go through your cheque book and bills from the last three months and track your expenses.

## Find your disappearing cash.

Since cash can be the most difficult component of your budget to track, develop the habit of saving receipts and writing down your expenditures. Then at the end of the month, categorize them to add to your cheque register.

## Do some math.

Subtract your expenses from your income. If your expenses are greater than your income, some serious cutting back is needed. If you have some money left at the end of the month, transfer it to your savings account. Doing this on a consistent basis is the best way to build up your nest egg.

## Trim the fat.

After you have an idea of how much you spend in each category, see if there are any places where you can cut your spending.

## Make saving automatic.

The best way to build your savings is to make sure you pay yourself first. If you have a retirement pension fund at work, take advantage of it by depositing money every paycheque no matter how small the amount. Another way to save is by setting aside part of your salary to go to your savings account. Most banks will set up regular transfers for you, such as having a fixed sum automatically transferred from your chequing to your savings account each pay period.

## Go easy on yourself.

Having a budget is supposed to be a helpful tool, not something that squeezes you into an unrealistic regimen. When compartmentalizing your spending, don't forget a category for your hobbies and interests.

## Do you need a financial planner?

Wouldn't it be great if you could just hire someone to worry about your money for you? (Sorry, that's not the job of a financial planner.) However if you want to figure out how to save for retirement, pay for your kid's education and buy a new home, a planner may help you formulate a plan to realize your goals.

## Ways to save money.

1. Cut the cab.
2. Pack lunch.
3. Use a clothesline.
4. Raise the insurance deductible on old cars.
5. Change your car's oil often to avoid repairs.
6. Cook large batches and freeze the excess.
7. Buy produce in season.
8. Plan menus according to what's on sale.
9. Buy generic drugs, shampoo and dishwasher soap.
10. Ask for discounts when you pay cash.
11. Find out when museums are open for free.
12. Buy next year's Christmas cards December 26.
13. Travel off-season.
14. Group your errands to save gas.
15. Carpool if possible.
16. Buy birthday gifts in bulk and on sale.
17. Don't buy clothes that need dry cleaning.
18. Get your hair cut at beauty schools.
19. Quit the gym if you don't go.
20. Welcome hand-me-downs.

## How dining out can take a bite out of your budget.

Most families spend more than half of their food budget on dining out. Sure, it's fun to dine out on occasion, but if you can cut back on dining out, it's an easy way to save money. If you dine out for convenience reasons, there are other ways to eat and save time. Have ready-to-cook, microwaveable foods stashed in the freezer. Lasagna in 15 minutes, tacos in three. You can feed an entire family on what you spend paying for one person to dine out. Or master the crock-pot. Come home to a pot of spaghetti, chili or ribs and you're ready to eat in minutes.



# BUDGET WORKSHEET

TRACK YOUR EXPENSES FOR A FEW MONTHS, TRACKING EACH CATEGORY. SUBTRACT EXPENSES FROM INCOME.



MONTHLY BUDGET	
INCOME	TOTAL
<b>Income:</b>	
Wages (Gross)	
Interest Income	
Investment Income	
Misc.	
<b>TOTAL INCOME:</b>	

EXPENSES	MONTHLY BUDGET	ACTUAL	EXPENSES	MONTHLY BUDGET	ACTUAL
<b>Home:</b>			<b>Debt:</b>		
Mortgage/Rent			Credit Cards		
Homeowners/Renters Insurance			Student Loans		
Property Taxes			Other		
Repairs/HOA			<b>Entertainment/Recreation:</b>		
Home Improvements			Cable TV/Videos/Movies		
<b>Utilities:</b>			Computer		
Electricity			Hobbies		
Water & Sewer			Subscriptions		
Natural Gas			Vacations		
Telephone			<b>Pets:</b>		
<b>Food:</b>			Food/Grooming		
Groceries			Vet/Boarding		
Dining Out			<b>Clothing:</b>		
<b>Family Obligations:</b>			<b>Investments &amp; Savings:</b>		
Support/Alimony			RRSP		
Day Care			Stocks/Bonds/Mutual Funds		
<b>Medical:</b>			College Funds		
Insurance			Savings		
Un-reimbursed Medical			Emergency Fund		
<b>Transportation:</b>			<b>Miscellaneous:</b>		
Car Payments			Toiletries/Household		
Gas			Gifts/Donations		
Auto Repairs/Fees			Grooming		
Insurance			Miscellaneous		
Other/Tolls			<b>Other:</b>		
<b>EXPENSES SUBTOTAL:</b>			<b>EXPENSES SUBTOTAL:</b>		

<b>FROM SECTION ABOVE-TOTAL INCOME:</b>				
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<b>TOTAL EXPENSES:</b>	
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<b>DIFFERENCE (to be applied to savings account or investments):</b>	
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