



ISSUE: Budgeting your hard earned money is a new challenge.

THINGS TO CONSIDER: Once you start receiving a pay cheque on a regular basis, it is important to consider how you spend your money. Budgeting will help you make your money last until your next pay period. This has always been challenging for many and let's face it, it is tempting to spend money on eating out in restaurants, buying new toys and electronic gadgets, taking friends and family out for a treat or lending them money.

- **The things you budget for change over time:** For example rent increases, inflation changes and the cost of everything from what you eat to your transportation also increases. It is an important practice to regularly re-evaluate your budget and make necessary changes. Once you become aware of how you spend your money you can begin to keep track of the things you 'want' versus the things you actually 'need' every month.
- **Budget and plan how you use your money:** Even though you may be working and earning more money than before, it is always a good idea to plan how you will use your money in advance. Look at the things in your life that are priority, in other words the things you need to live such as food, rent, transportation, clothing among other things. You can also create another list of things you may want, in other words a wish list such as a stereo, bike, or going back to school and taking classes. Many of us want to acquire the things that we believe make us happy and proud of our accomplishments.
- **Your list of budgetary needs may include:**
 - ✓ Rent (usually paid on the 1st of the month)
 - ✓ Hydro & Gas
 - ✓ Groceries
 - ✓ Transportation
 - ✓ Phone
 - ✓ Cable TV
 - ✓ Entertainment or Other Needs
- Managing your money properly takes away much worry and stress and allows you to know exactly where you are at financially.

THINGS TO DO:

- In order to ensure that you are not spending more than you earn, you should regularly ask yourself whether what you are going to buy is something you 'need' vs. something you 'want'.
- Make a list of your regular bills that need to be paid every month. It is helpful to buy a small calendar or planner that fits into a purse or knapsack. In this planner, list all of your expected regular monthly bills. On pay day, add the total amount of your paycheque into your planner and also note the dates that rent and your other monthly bills are due.
- On your calendar, you will notice that rent is typically due on the first of the month. Rent is often the biggest monthly expense for most people
- Wherever possible, arrange for your other bills to be paid in the middle of the month at the same time you receive your mid-month paycheque. That way your entire paycheque received near the beginning of the month can pay for rent, and the next cheque can pay your remaining bills. This helps you budget and spread out your expenses over the month.
- Monitor how much money you spend on food during each pay period, shop for what you need as soon as you can. In planning the groceries you need to buy, remember to plan on what you



need to buy for lunch at work. Buying fresh food from the grocery store saves a lot of money over time instead of eating out at restaurants.

- If you use the bus to and from work and for other transport, determine whether it is more economical to purchase a monthly Bus Pass or a book of tickets. Both ideas save you money. Also, make sure you keep your receipt if you buy a buss pass. This expense can be used as a tax deduction when you prepare your income taxes. As an employee receiving a paycheque you are required to file an annual income tax return. Depending on your income, filing a tax return will also result in receiving GST reimbursements and other benefits over the course of the year that adds to your income.
- If there is a 'special purchase' that you want to make, it's time to plan and save. You may want to consider opening a separate bank account and deposit a little bit of money from every paycheque until you have saved enough. This is smarter than spending all of your paycheque and discovering you don't have enough money left to pay your rent and bills.
- Just as maintaining employment takes commitment and responsibility, so to does managing your money properly. It takes practice.
- Remember to evaluate your financial needs periodically, as your needs change and expenses increase, managing your money will change as well.

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