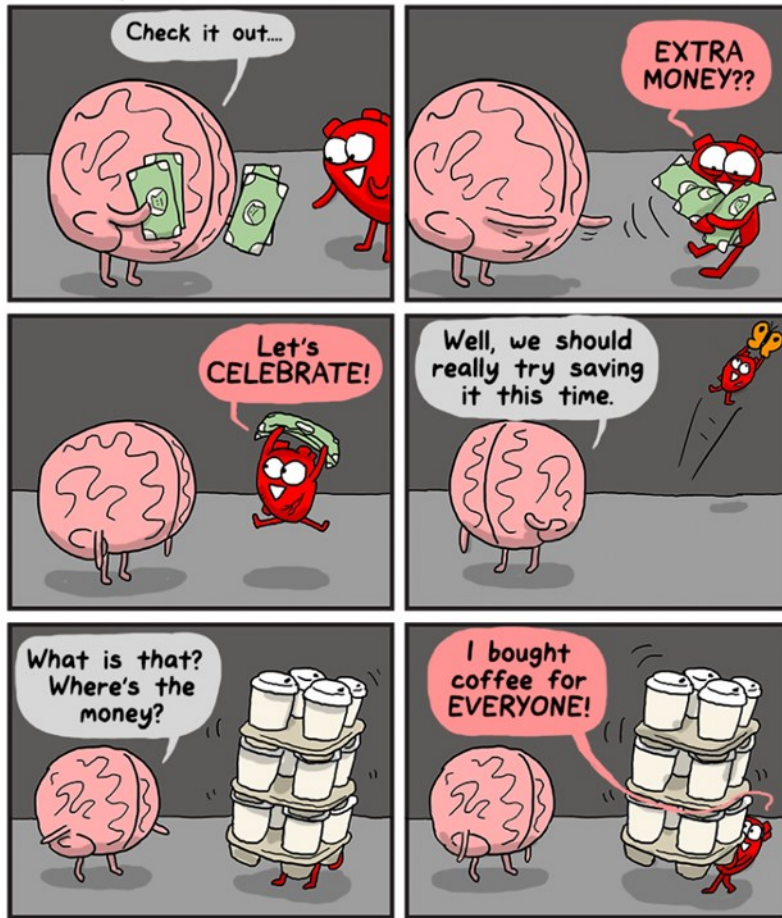


Heart and Brain

THE AWKWARD YETI



My Budget and My Brain

Live stress free.

A direct and simple approach in building
YOUR own successful budget.



United Way
Bruce Grey

Change starts here.
unitedwayofbrucegrey.com



Canadian Mental
Health Association
Grey Bruce
Mental Health and Addiction Services

This booklet is provided as a general resource for the community.

Please consult with specific experts for a more comprehensive understanding of tools and resources available from the Financial and Banking Industry.

**Produced by United Way Bruce Grey with generous funding from CMHA-GB.
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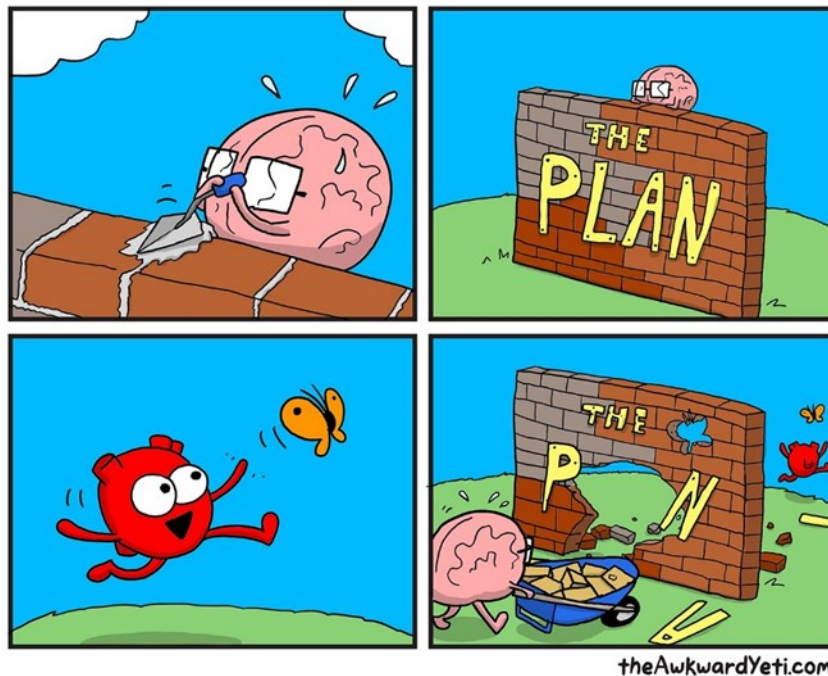
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www.theawkwardyeti.com

UNDERSTANDING THE PROCESS

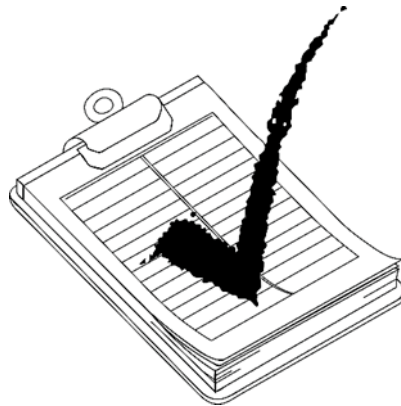
First and foremost, this is all about YOU! For everything in our lives we need to understand who we are, how we think, what our weaknesses are and what our strengths are. This self knowledge can be applied in most things – including a budget - and gives us insight on how to move forward with confidence.

Many of us are inundated on what we should do (and what we shouldn't do) by family, friends and mentors. Most times they mean well but these people are not you. Even the best of ideas need to suit a specific purpose or the unique person. Concentrate on your needs and lifestyle. This will only work when it suits YOU and you are in control.

We are all also bombarded by slogans such as “Don’t wait” or “Sale ending soon, never at this price again” or “You need this” and so many other statements that pressure us into doing what *they* want – not what is necessarily the best for us. PUT ALL OF THAT ASIDE. These are traps and they, so often, can get us in to trouble with overspending or worse.

So, looking on the bright side - there are only 3 steps in building a workable budget and making it a life long success!

- 1. Plan it**
- 2. Work it**
- 3. Keep it**



There are as many budgeting techniques in the world as there are personalities! You need to find the one that works for you. Some of us are good with cash, others just carrying a debit card, while others can carry 5 credit cards without the temptation of maxing them out in one afternoon.

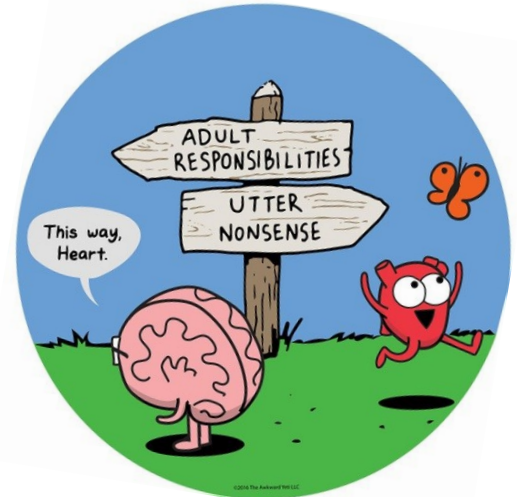
Planning or organizing the budget is easy, no fancy math skills necessary – only addition and subtraction. Working is the tougher part - this is where the hard decision making comes in. Keeping it or sticking to it is just as important if you want to look forward to a stress free, content and empowered future.

PLAN IT - The Unique YOU

Get Comfortable: Upon approaching the *building* of the budget, make sure that you are by yourself, have just eaten, are in your favorite comfortable warm space, and have lots of time. Relax and look at it as your wish list. Some things have to be there, others may need to go. Even if it seems like you have precious little left, you still have a say between a \$20 dinner out or the \$2 coffee. You need to feel like you have some say in the grand scheme of things while staying on track.

Count the Blessings: Don't concentrate on the things you can't have. Concentrate on the things you *can* make happen.

Find the unique YOU: Try to feel the empowerment you have in making the decisions you choose. Sure, it needs to fit and get the necessities covered, and, perhaps it is not the perfect scenario **yet**, but it is the one YOU have chosen. YOU control it.



PLAN IT - The Unique Budget

Fixed Incomes: Even though most fixed incomes are generally lower income and don't offer cushions, they seldom change. The upside of this is that we have the comfort of knowing exactly what we have to work with *every* month. No Surprises. It is then simply a matter of keeping the expenses consistent to match the income – however frugal one might have to be.

Changing Incomes: Self-employed, commissioned or business incomes can vary wildly month to month. Although our financial life may seem chaotic, there are some constants that must be regarded *but* also appreciated. In this case, working backwards may be best – starting with the absolute expenses that need to be met such as housing and insurances. Put that amount aside and use only the remaining dollars for the other expenses. Have 2 bank accounts. Putting aside a certain amount into the “necessities” account from the higher income months will help in the lean months and allow you to monitor your safety net.

Seasonal Incomes: Similar to the changing income, we need to know how much the necessities total. So, again, we need to work backwards - add those expenses for the year and then divide it by the number of working months. The figure you come up with is what needs to be set aside to pay the necessities to cover those lean months.

WORK IT - Bill Paying

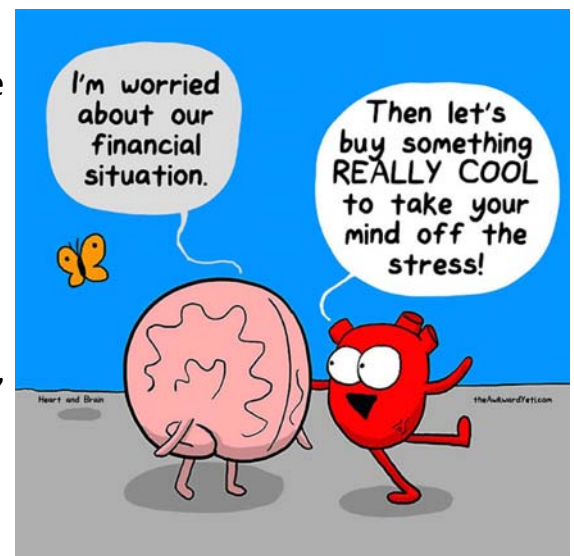
Routine: Every bill payer's income is different. Every bill collector's demands are different. But there are opportunities to pay our bills that we are not told of. Many times an equal billing payment plan for utilities is not offered to us. So, if *they* won't put *you* on ***their*** equal billing payment plan, then *you* put *them* on ***your*** equal billing payment plan. You will need to calculate the whole year's bill and divide by 12 months. This will ensure the costlier months in the winter are covered by sending them more than your usage on the bill in the summer. Ignore the fact that, through the summer, you have a credit balance. Having this credit is your cushion to compensate for the more expensive winter months. The more routine a payment is, the easier it is to control.

The needs and the wants: Perhaps the cleanest way to manage expenses is by setting up one account that does all of the work of bill paying (the total of the necessities). Fill that account up immediately upon receiving your pay. If you are on a monthly fixed income, you never have to look at it again for another month. The bills are covered and you don't have to worry about remembering a payment half way through the month or overspending on something else and getting into trouble. Sure, you paid the phone bill on the 1st of the month when it is not due till the 15th, BUT, you will have it paid and you are always up to date. See the example on the next page.

Amounts: You can also estimate a utility bill. Normally they don't fluctuate too much, so sending them just the \$80 on the 1st of the month instead of \$82.50 on the 15th of the month is fine. Just send them the \$85 next month. It beats trying to hang on to the \$82.50 for 2 weeks in your bank.

Partnering: If your income changes the best way to keep things simple is to "partner" an expense with an income. See the example on the next page.

Access: It's okay to use technology to make bill paying easy but never give "full, open" access to your bank account for any bill. They will want you to agree to "take out of my account whatever the bill is". Again, *you* specify the amount, not *them*. You will still be in control if you have the electric bill come out every month but only for the set amount of (e.g.) \$125.00.



WORK IT – Different Methods

Paycheque Planner

Payment/Saving	Jane: Pay # 1 \$1186 1st	Eric: Pay #1 \$140.00 7th	Eric: Pay # 2 \$139.00 21st	GST \$128
Automatic Withdrawals & Preauthorized Cheques	Rent 675 Life Ins 35 Home Ins 20 Bk Fee 12 Total \$742			
Cheques, Interac, and Phone Transfers	Heat 50 Hydro 65 Phone 30 TV 58 Internet 45 Bus Pass 60 Total \$308			
Cash	Coffee 10 Coins 4 Food 35 Total \$49	Food 85 Meds 10 Coins 8 Groom 25 Mags 5 Coffee 20 Total \$153	Food 100 Meds 10 Coins 8 Groom 25 Mags 5 Coffee 20 Total \$168	
Credit Cards		Jane 130.00 Total 130.00	Eric 100.00 Total \$100.00	
Savings				128.00
Disposable	\$87	-\$143	-\$129	0.00

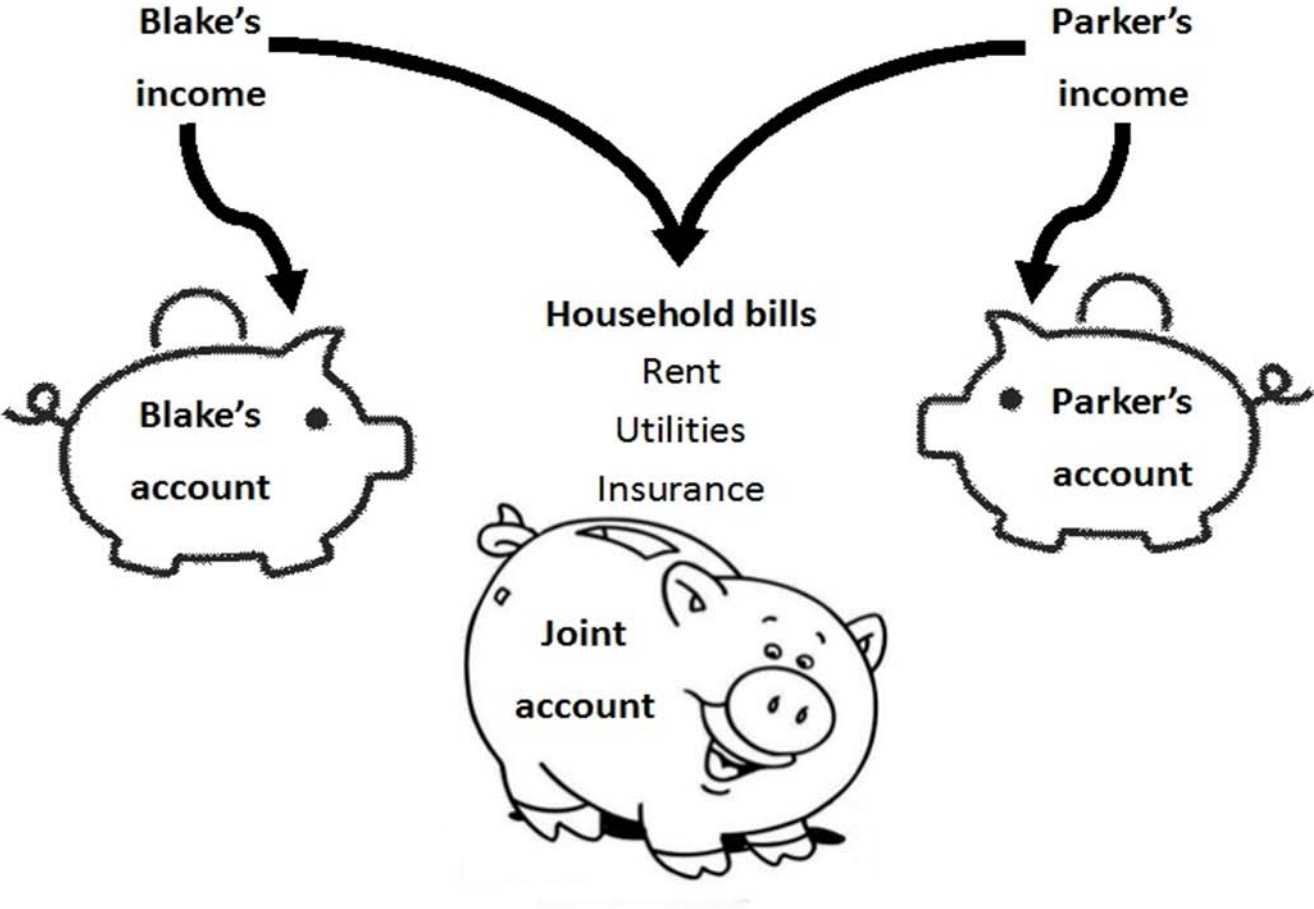
WORK IT – Your Method

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WORK IT – Other Ideas

[JANUARY 2019]

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		



KEEP IT - Tools and Tips

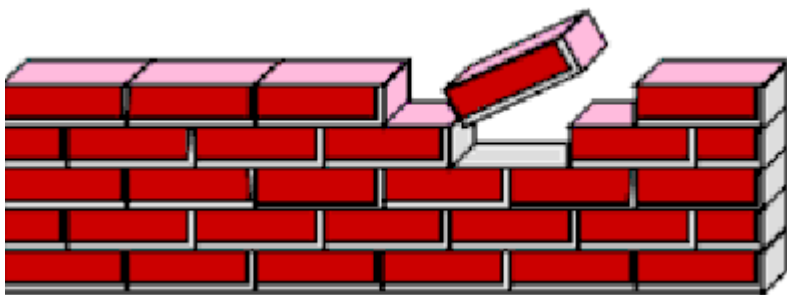
Removing the Temptation: *Visit* the stores less often. Don't view shopping as entertainment or "putting in time" - make it purposeful. Window shopping is extremely dangerous, unless you don't take any money. When you *do* go shopping, go with a list that prepares you for a full week. But, take your time, and enjoy the fact that you still have choices. Your list needs to have exact items (possibly picked out from the flyers), with – hopefully - exact prices. Before you leave for the store, total all of the costs. Take only that amount of cash with you, and don't forget the coupons.

Allowing the Perks: Money is simply a tool. It is there to, firstly, pay the necessities, but we also need to have *some* fun. Even the smallest of joys can linger, if thought out thoroughly. So, try to make room in the budget for a small perk once in a while. Whether it is that favorite snack daily or, DVD or book once a week or, that 2 day vacation once a year.



Replacement Therapy: One needs to find the balance between the obligation of money and the pleasures. Or.... "the needs and the wants". If the budget is tight, swap the big treats for the less expensive perks. Have fun trying to think of some small guilty pleasures that will fit the budget.

Tying your own hands: Don't put yourself in the position of making a choice that you don't want to face. Find your safety net. Gift cards are a marvelous invention! If all of your money is tied up in gift cards, then it cannot be spent on unplanned costs or impromptu purchases. The gift cards allow you to prioritize the budget at the building stage – where logic carries the most weight. For example, on payday, buy your \$50.00 worth of groceries and at the check out, buy 3 x \$50 gift cards – one for each remaining Friday of the month. This means you can go grocery shopping weekly – you may not have money for entertainment etc, but you can rest assured that you will never go hungry.



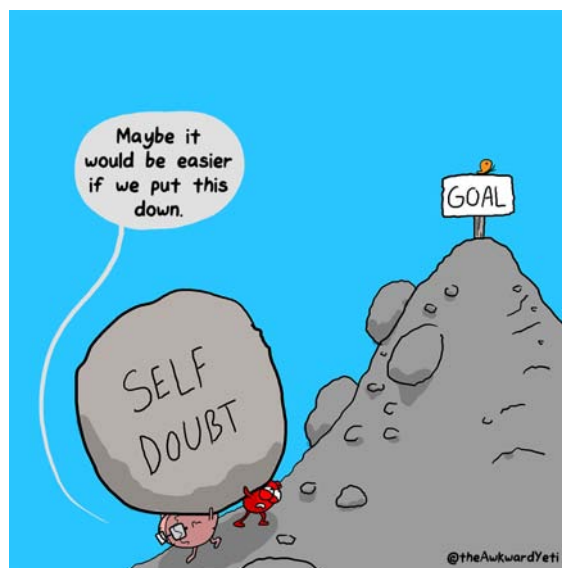
The Brick Wall: We may need one. Is it just setting up a savings account with no ATM access. Do you live downtown and need to open a savings account in a separate bank account uptown? Is it someone you can trust who safeguards your

Credit Card in their jewellery box? Or, do you need a joint account with a second signer for all withdrawals? Put the credit card in water and in the freezer, there for emergencies, but not too handy.

GOAL PLANNING

The Financial Planning Experts have a wonderful saying – “Pay yourself first.” That’s easy, if we have extra income and we just decide to set it aside for a fun break or that wish list. If we have to live on a tight budget, it is much harder. However, we can still make it happen – with stricter rules, higher brick walls and perhaps even longer waits. How we do that is to treat that goal just like any other bill. Tell yourself that it is set in stone and, then, stick to it.

If it is a yearly hotel stay and a trip in a different city for a long weekend, budget that \$600.00 trip at \$50.00 per month. If it is the Family Get-together every 3 months, perhaps you could “save” the quarterly GST of \$150.00. Again, wherever you can connect an expense with an income, the easier the budget will be to control. So always pay your cell phone bill with your Trillium Benefit for example.



A WORD ABOUT CREDIT

Credit is like a hammer, it can help you build or it can also break things down – it’s all in how you use it. As soon as we open our very first bank account, we have established a credit rating. This is a report that monitors if we pay our bills on time, where we have asked for credit and who has worked with us. It also details personal information such as address, employment and birth date. No one *should* be able to look at your credit rating unless you have given them permission.

Credit is a powerful tool. So much so, that it also identifies us as to whether banks, retailers, online business etc. will want to work with us. The credit world is very judgemental and very unforgiving. If we missed making one payment 6 years ago, it may still be haunting us and stopping our chances of moving forward.

Obviously it is important to pay our creditors on time to keep a good credit rating. But, sometimes this is not always possible. Sometimes we find ourselves in the position of making the decision between paying that credit card bill or eating. Dilemmas like this are best discussed with someone who has your best interests at heart – not necessarily that bill collector.

RESOURCES

Budgeting Tools:

www.canada.ca/en/services/finances/tools

www.bmo.com/media/financial-planning/fp_worksheets/cashflow

www.cibc.com/en/personalbanking/advice-centre/managing-your-cash

www.discover.rbroyalbank.com/take-charge-of-your-budget-at-any-age

www.scotiabank.com/ca/en/0,,7108,00

www.td.com/ca/en/personal-banking/how-to

www.meridiancu.ca/good-sense

Credit Reports and Information:

www.equifax.ca/equifax/credit-score

www.transunion.ca

www.experian.com

www.creditkarma.com

www.borrowell.com



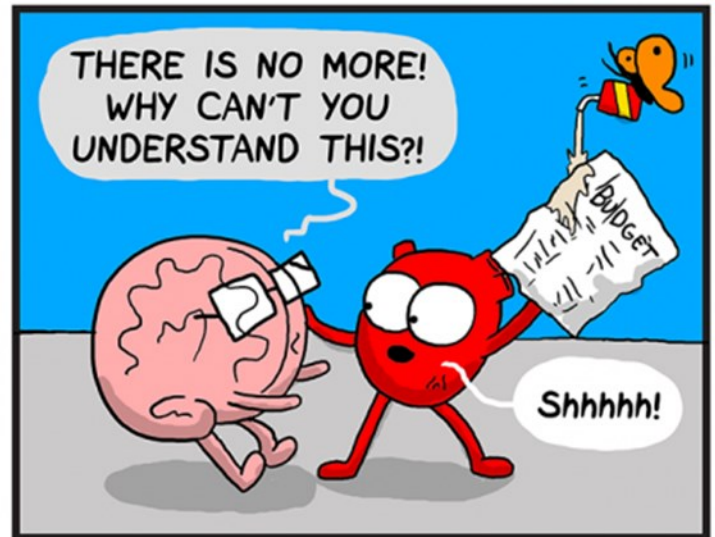
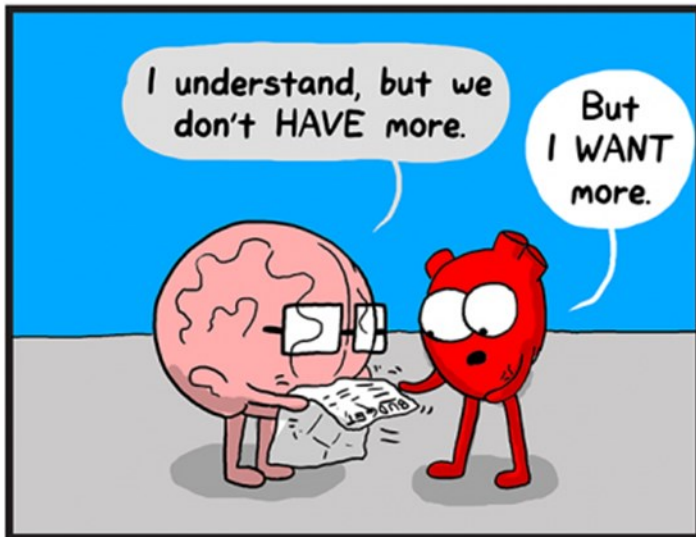
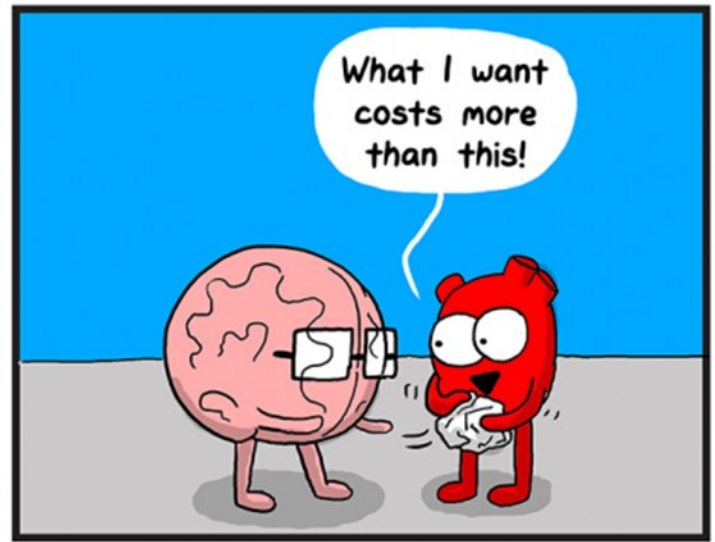
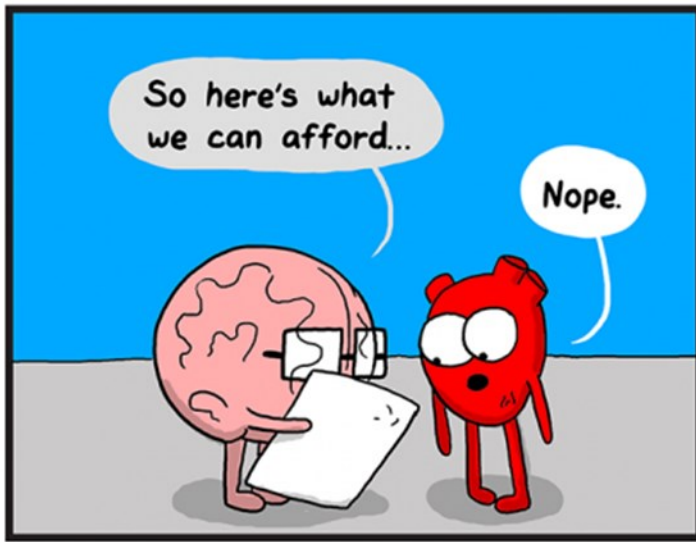
**When you don't know
where to turn.™**

Other:

Credit Counselling - www.creditcanada.com

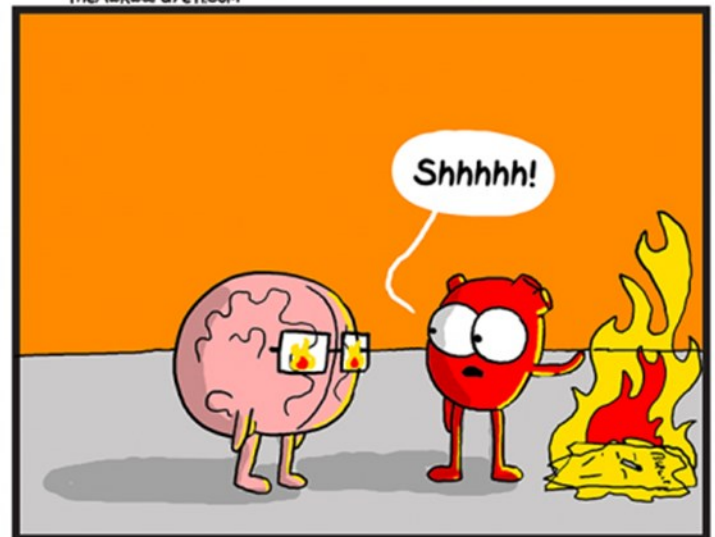
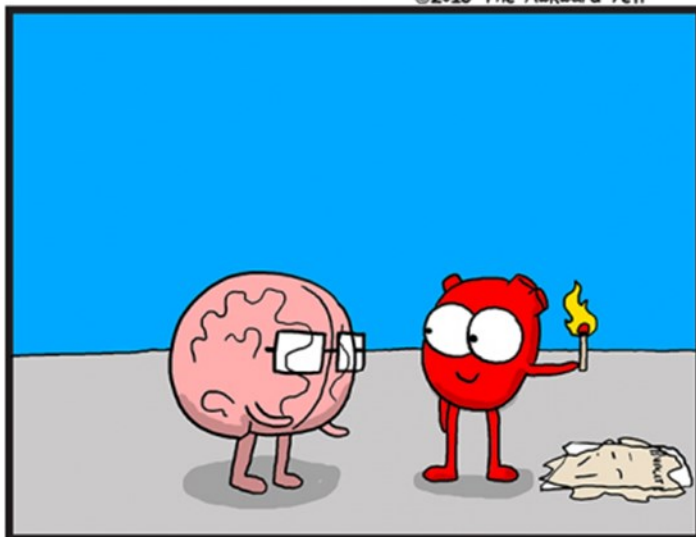
Complaints - www.canada.ca/en/financial-consumer-agency/services/complaints/file-complaint-financial-institution

Advice – <http://unitedwayofbrucegrey.com/services-offered/financial-literacy-budgeting-etc>



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Canadian Mental Health Association

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Mental Health and Addiction Services