



## MY LIFESTYLE

### Breaking down the budget

Creating a budget is an effective way to analyze your cash flow. It helps you see how much money is going into your accounts. And more importantly, how much money is going out of them. Here are some steps that “*break down the budget*,” to ensure you live today and save for tomorrow:

#### Start with a budgeting tool or excel spreadsheet

Get started by using a budgeting tool or excel spreadsheet to record your budgeting details. There are many free budgeting apps such as Mint or the [CIBC Budgeting Calculator](#). We also created a **T.A.G. Budgeting Template** – let us know if you would like to receive it!

#### Identify all your sources of after-tax income

Consider employment income, rental income, investment income, pension income, benefits, support payments, and government grants. It is important to note how frequently you are receiving these sources of income and the accounts where they are being deposited.

#### Determine your expenses

Record or download the past 6-months of all of your transactions. While this may be tedious, it also holds you accountable as you become aware of how you spend your money. Speaking from personal experience, it’s unbelievable how something as simple as getting coffee once a day can add up overtime! We recommend sorting your expenses into various categories. Here are some common categories to kick-start this process:

- **Housing:** mortgage/rent; property tax; utilities; maintenance costs; home insurance
- **Communications:** internet; mobile phone; streaming services; digital subscriptions
- **Food:** groceries; food delivery; take-out; restaurants
- **Debt payments:** personal loan payments; credit card; line of credit interest; student loans
- **Transportation:** car loan/lease payments; car maintenance; parking; public transit; ride-share and taxis
- **Family:** childcare; tuition; eldercare; pet care
- **Health:** insurance; prescriptions; dental and eye-care; beauty; fitness memberships
- **Shopping:** clothing; housewares; personal care; online purchases
- **Recreation:** entertainment; hobbies; travel
- **Gifts:** charitable donations; professional fees; birthdays and special occasions

#### Set your savings goals

It is much easier to save when you know what you’re saving for. Consider saving for an emergency fund, home purchase, renovations, vacation, education, retirement, major purchase, or future family expenses.

We also encourage you to “*pay yourself first*,” and automate your savings and investing, each pay cycle. This is to make saving and investing a non-negotiable expense, to help you achieve your financial goals.

Once you have followed these steps, and the timing is right for you, let us know. We will help you understand your cash flow and develop strategies that will lead towards achieving your financial goals and ideal lifestyle.

