

## Creating a Family Budget

Money problems can create a lot of anxiety and stress. They can be a major source of conflict within a relationship. Creating a reasonable budget can relieve some of this stress. It is important to sit down as a family and create a budget. This way, each member is involved and given a say in the family's major financial decisions.

The idea of a budget seems simple enough, doesn't it? Money comes in and money goes out. Usually, though, balancing income and expenses is not that easy. A budget or spending plan can help you manage the family's finances.

### A budget can:

- Ensure the best use of money, ultimately saving money
- Reduce stress
- Maintain harmony
- Improve confidence

## Where do you start?

### Review your current spending habits

- Do you have a budget or spending plan?
- Are you able to save some money each month?
- Do you feel frustrated and tense when you think about your expenses?
- Does your money run out before the month ends?
- Do you talk to your partner about money issues?

## How do you get better control of your finances?

- **Get organized.** You will need to take a longer term look at your family's spending habits. Gather your utility bills and invoices for any major expenses you had during the past year. These will help you estimate your yearly expenses. If you don't have them or have moved to a new area, utility companies will be able to give you an estimate of these costs.
- **Write** down your household income from wages, pensions, insurance and tax credits starting with the current month and then record the month's expenses. You may need to search through your checkbook, bank statements and receipts. The more accurate and detailed you can be, the better picture you will get of your financial situation.
- **Think about** your family's lifestyle and spending habits. Your partner and children should be involved so they will understand and be part of the decisions made. Ask yourself, what are the most important things you spend your money on? What could you do without?

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- **Estimate** your family's income and expenses for the next year. You can base it on your current month's budget. Do you expect your income to change during the year? Have you accounted for expenses such as Christmas, holidays and birthdays?
- **Find out** about your Credit Report. A credit bureau service is available in every province. Call or visit the office to check your credit rating.

*Once you have compiled this information you can begin to **design a family budget**. You can use the family or personal budget outline or look for other examples in books, magazines, or Internet sites.*

**Ways to save money:**

- Before making a purchase, ask yourself - do you need it or do you want it?
- Pay yourself first. *You won't miss the money you put away if it is built into your budget. Payroll deductions like Canada Savings Bonds are a good way to do this.*
- Pay down on your debt and reduce or avoid interest charges.
- Pay bills on time. *Are you paying for telephone or cable TV services you don't use? These costs can really add up over time*
- Cut down on eating out. Prepare special meals at home.
- Make a food shopping list and stick to it when you go to the store.
- Check the free programs and services that are offered in your community.
- Use the public library. You can save on buying books or magazines and Internet service.
- Share babysitting and child care responsibilities with friends or neighbours.
- Learn to repair things in your home.
- Resist impulse buying - think about buying the item for a couple of days.

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