

Financial and Workplace Math 110

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Hello class! I hope you are enjoying the sunshine and warmer weather; summer is in sight!

Last week we looked at the different types of **banks and bank accounts**. You should have noticed that if you have a low-cost or no-cost students account that it will not be available to you when you are no longer a student. You will then need to choose another account, taking into consideration any monthly fees, transaction limits, and other fees. This can get expensive! Consider your needs, shop around for options, and minimize transactions to prevent extra transaction and ATM fees.

- There are a few questions to review this on the PDF called **Banking Practice**

Another way to get the most out of your money is to create a **Budget**, a plan for spending your money, to keep you worry-free. EVERYONE can benefit from some type of budget! It seems that money "has a way of disappearing" and sometimes we find our money is gone without noticing what we spent it on. We fall victim to habit – buying treats or consumables without giving it a second thought. If we started to pay closer attention to our cash flow, we might reconsider how we are spending that money and the result could be increased savings and better use of those funds. A budget does this!

A budget can help you

- keep track of your income and expenses
- stay on top of your monthly bills
- be prepared for unexpected expenses
- avoid overspending
- figure out how much you need to save to meet your financial goals

Components of a budget include:

1. Income after taxes – the amount of money you have to work with every month.
2. Fixed monthly expenses – expenses that tend to stay the same (or close to it) every month, like rent or mortgage, cable, internet, power, and loan repayments.
3. Variable expenses – expenses that change every month, like gas, groceries, and entertainment
4. Occasional expenses – expenses that come up sometimes, like clothing, gifts, and vacations.
5. Savings – both short-term emergency savings and longer-term savings to help you reach your financial goals.

This Government of Canada site can help you set up a budget in 3 steps.

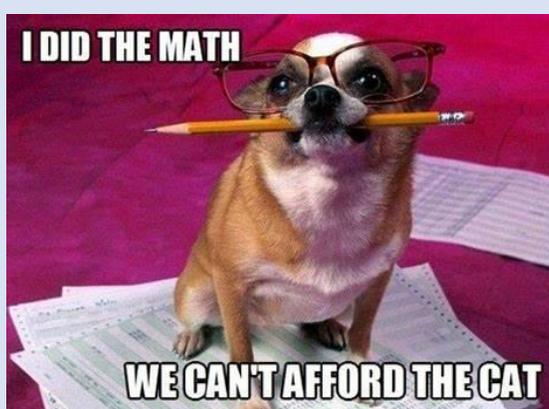
<https://itools-ioutils.fcac-acfc.gc.ca/BP-PB/budget-planner> . What suggestions did you get?

It is important that your budget be **Balanced: money in=money out**. Spending more than you earn is an easy way to accumulate debt. To stay out of debt, you'll either need to find a way to earn more or spend less. Here are some tips:

<https://www.getsmarteraboutmoney.ca/plan-manage/planning-basics/budgeting/if-you-spend-more-than-you-earn/> Which ones could you use?

Plan to review your budget at least once a year and whenever your personal or financial situation changes, for example <https://www.getsmarteraboutmoney.ca/plan-manage/planning-basics/budgeting/when-to-review-your-budget/>

For **Games Day**, go to <http://playspent.org/> to see how the decisions we make affect our finances.



Have a great week,
you've got this! 😊