

THE
SherryCorbitt
TEAM

BUDGETING WORKBOOK

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Providing Solutions, Not Just Rates.



Whether you already own a house or if home ownership is on your wish list, understanding your financial situation and having a budget can help you plan ahead and learn how to save money.

Managing your financing can be stressful but NOT managing your financing will be much worse. In this booklet you will find some budgeting tips, resources to stay on track and inspiration. Take what you need, tweak what doesn't work and take one step, one dime at a time.

Where do you start? Let's write down all your income and expenses. Once it is written down it will be much easier to see the bigger picture. Be realistic with your budget and flexible to make changes as life happens.

Monthly Budget

ITEM	BUDGET	ACTUAL	DIFFERENCE	NOTES
<i>Mortgage</i>				
<i>Property Taxes</i>				
<i>Household Maintenance</i>				
<i>Insurance</i>				
<i>Electricity</i>				
<i>Water/Sewage</i>				
<i>Gas</i>				
<i>Phone (Cell/Home)</i>				
<i>Cable/Internet</i>				
<i>Groceries</i>				
<i>Fuel</i>				
<i>Car Payment</i>				
<i>Car Insurance</i>				
<i>Child Care</i>				
<i>Credit Card/Loan 1</i>				
<i>Credit Card/Loan 2</i>				
<i>Credit Card/Loan 3</i>				
<i>Entertainment</i>				
<i>Gifts</i>				
<i>Clothing</i>				
<i>Donations</i>				
<i>Retirement Savings</i>				
<i>College Savings</i>				
<i>Life Insurance</i>				
<i>Misc (Other)</i>				
INCOME				
OTHER INCOME				

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52 Week Challenge: Want a challenge to save some money? Look how saving just a little each week will make a big difference within a year! Do you find it hard to save money for Christmas shopping? This year make it your goal to not put your holiday spending on credit! My family really enjoys our family trips so we use the 52 week challenge to stay on track to bring our dreams of a family vacation closer to reality.

For this challenge, consider doing it backwards! Do the heavy lifting upfront with the bigger savings and watch the account grow from day one!

52 Week Challenge

WEEK	DEPOSIT	BALANCE
1	\$1.00	\$1.00
2	\$2.00	\$3.00
3	\$3.00	\$6.00
4	\$4.00	\$10.00
5	\$5.00	\$15.00
6	\$6.00	\$21.00
7	\$7.00	\$28.00
8	\$8.00	\$36.00
9	\$9.00	\$45.00
10	\$10.00	\$55.00
11	\$11.00	\$66.00
12	\$12.00	\$78.00
13	\$13.00	\$91.00
14	\$14.00	\$105.00
15	\$15.00	\$120.00
16	\$16.00	\$136.00
17	\$17.00	\$153.00
18	\$18.00	\$171.00
19	\$19.00	\$190.00
20	\$20.00	\$210.00
21	\$21.00	\$231.00
22	\$22.00	\$253.00
23	\$23.00	\$276.00
24	\$24.00	\$300.00
25	\$25.00	\$325.00
26	\$26.00	\$351.00

WEEK	DEPOSIT	BALANCE
27	\$27.00	\$378.00
28	\$28.00	\$406.00
29	\$29.00	\$435.00
30	\$30.00	\$465.00
31	\$31.00	\$496.00
32	\$32.00	\$528.00
33	\$33.00	\$561.00
34	\$34.00	\$595.00
35	\$35.00	\$630.00
36	\$36.00	\$666.00
37	\$37.00	\$703.00
38	\$38.00	\$741.00
39	\$39.00	\$780.00
40	\$40.00	\$820.00
41	\$41.00	\$861.00
42	\$42.00	\$903.00
43	\$43.00	\$946.00
44	\$44.00	\$990.00
45	\$45.00	\$1035.00
46	\$46.00	\$1081.00
47	\$47.00	\$1128.00
48	\$48.00	\$1176.00
49	\$49.00	\$1225.00
50	\$50.00	\$1275.00
51	\$51.00	\$1326.00
52	\$52.00	\$1378.00

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Tips: Don't just survive, learn to thrive!

- Shop for new home and auto insurance annually.
- Ditch the bank insurance and look at life insurance. Having insurance is vital but you have to make sure you have the best policy, terms and coverage to protect your family. Review and get independent advice.
- Get a programmable thermostat
- Go Green on your energy saving light bulbs. They cost more upfront but last a lot longer and will be gentle on your hydro bill.
- Meal Plan: Don't waste food, make your left overs go further by planning to use last night's dinner for tomorrow's lunch.
- Review the annual fees on your credit cards. Are they really necessary? My favourite credit card is a zero annual fee cash back card! No annual fee (on average this is a \$120 savings vs the competitors) plus I earn 1%, 2% or up to 5% cash back on my purchases! For more information on this amazing card here is the link:
https://www.collabriacreditcards.ca/affiliate_mortgage-intelligence/cards/personal-cards/pc26/card_cashbackmastercard
- Have an emergency savings plan. Ideal budget is 3 months worth of your household expenses.
- Don't impulse shop! If you really want something, think about it for a few days before pressing the shopping cart button.
- Don't automatically renew your mortgage. Call your lender for the best rate they can offer, not what they have sent you in the mail. Also shop around with a local mortgage broker who can tell you if the rate you are being offered is fair or not.
- Declutter and pay off debt! Go through your basement, garage and spare bedroom to clear out old stuff and make a bit of cash to pay off debts.
- You're allowed to say no! If you don't have the funds for a night out, stay in and do something at home. Don't want to lend 'that friend' another \$10 for lunch? Saying no is a hard thing to learn but definitely something that is empowering once mastered.



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SNOWBALL Method for getting out of debt. Buckle down, this really works!

This debt reduction strategy is where you pay off the debts in order of smallest to largest so that you gain momentum as each one is eliminated and your efforts pick up speed and grow!

When the smallest debt is paid in full, you roll the money you were paying on that debt into the next smallest and so on and so on until you have crushed them all!

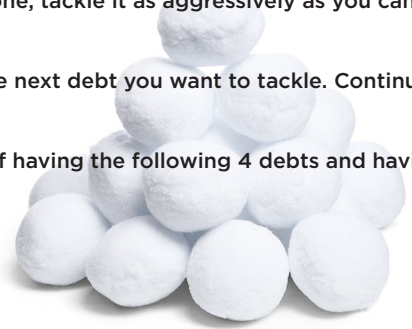
Step 1: List all your debts from smallest to largest. Include the minimum monthly payments and the interest rates.

Step 2: Make only the minimum payments on all the debts, except for the smallest. On that one, tackle it as aggressively as you can until it is paid off.

Step 3: Once the smallest is paid off, take what you were paying towards it and roll it into the next debt you want to tackle. Continue to make the minimum payments on all outstanding debts.

Here is an example of how to snowball your way into being debt free. Let's use the sample of having the following 4 debts and having an extra \$400 a month you can put towards getting debt free.

- \$500 credit card (\$50 min payment)
- \$1800 credit card (\$70 min payment)
- \$4500 student loan (\$55 min payment)
- \$12,000 car loan (\$280 min payment)



Credit Card		Credit Card		Student Loan		Car Loan		
Balance: \$500		Balance: \$1800		Balance: \$4500		Balance: \$12,000		
Minimum Payment: \$50		Minimum Payment: \$70		Minimum Payment: \$55		Minimum Payment: \$280		
Interest Rate: 21.0%		Interest Rate: 18.0%		Interest Rate: 5.50%		Interest Rate: 1.90%		
Month	Payment	Balance	Payment	Balance	Payment	Balance	Payment	Balance
1	\$ 450.00	\$ 50.00	\$ 70.00	\$1,730.00	\$ 55.00	\$ 4,445.00	\$ 280.00	\$11,720.00
2	\$ 50.00	PAID OFF	\$ 470.00	\$1,278.90	\$ 55.00	\$ 4,410.12	\$ 280.00	\$11,458.11
3			\$ 520.00	\$ 770.28	\$ 55.00	\$ 4,375.08	\$ 280.00	\$11,195.81
4			\$ 520.00	\$ 254.04	\$ 55.00	\$ 4,339.88	\$ 280.00	\$10,933.10
5			\$ 254.04	PAID OFF	\$ 320.96	\$ 4,037.34	\$ 280.00	\$10,669.96
6					\$ 575.00	\$ 3,478.21	\$ 280.00	\$10,406.41
7					\$ 575.00	\$ 2,916.52	\$ 280.00	\$10,142.45
8					\$ 575.00	\$ 2,352.25	\$ 280.00	\$ 9,878.06
9					\$ 575.00	\$17,885.39	\$ 280.00	\$ 9,613.26
10					\$ 575.00	\$ 1,215.94	\$ 280.00	\$ 9,348.04
11					\$ 575.00	\$ 643.88	\$ 280.00	\$ 9,082.39
12					\$ 575.00	\$ 69.19	\$ 280.00	\$ 8,816.33
13					\$ 69.19	PAID OFF	\$ 785.81	\$ 8,043.24
14							\$ 855.00	\$ 7,199.62
15							\$ 855.00	\$ 6,345.67
16							\$ 855.00	\$ 5,508.38
17							\$ 855.00	\$ 4,660.74
18							\$ 855.00	\$ 3,811.77
19							\$ 855.00	\$ 2,961.45
20							\$ 855.00	\$ 2,109.79
21							\$ 855.00	\$ 1,256.77
22							\$ 855.00	\$ 402.41
23							\$ 402.41	PAID OFF

Thanks to your hard work you have paid off \$18,800 in debt in only 23 months! You now have \$855.00 back into your budget (\$400 debt payment plus the \$455 you were making in the 4 minimum monthly payments). Congratulations!

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Want to see how a bank looks at your credit worthiness through their eyes?

Here are the 5 C's of Credit lenders review when deciding to lend you a mortgage:

Capacity, the ability of borrowers to repay loans, is the most critical of the five Cs. It can be assessed by evaluating the debt amounts vs income. This is where they really look at your credit repayment history to make sure you don't routinely miss payments etc.

Capital is the amount of money borrowers have invested in the property. Lenders want to see that borrowers are committing their own capital and will check the capitals' sources. This is where your down payment is from. Do you have some 'skin in the game' and have saved your own money towards the purchase.

Character is the general impression of how trustworthy borrowers are to repay the loans. Assessing length of employment, propensity to save, and responsible credit utilization all help to establish character.

Collateral is the guarantee in the form of additional security that can be provided to the lender. For mortgages, collateral is the property itself. The more down payment you have, the mortgage collateral you have.

Credit: What is the borrower's credit history? More particularly, what does the repayment history show? This is where your credit score comes into play. It is important to maintain a good credit score and it is advised you do an annual review of your credit score with a free report. You can do that at this website: <https://www.consumer.equifax.ca/canada/free-trial-en.html>



Having control over your debt is possible. If you want to achieve it, you can. Believe, work hard and be ruthless in making it happen and it will. Setbacks will happen, as life gets in the way, but take each step back with a deep breath before refocusing on your goals.

**Your actions determine your reality.
If the plan you set doesn't work then change the plan, not the goal.**

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\$ MONEY SAVING CHART \$
 Use this chart to save an extra \$1000 this year!

\$20	\$7	\$33	\$51	\$9	\$17	\$22	\$3
\$25	\$19	\$11	\$34	\$12	\$40	\$15	\$21
\$8	\$0	\$23	\$5	\$27	\$22	\$18	\$31
\$60	\$21	\$9	\$19	\$11	\$17	\$5	\$29
\$15	\$19	\$26	\$8	\$20	\$4	\$22	\$18
\$17	\$20	\$28	\$6	\$15	\$35	\$19	\$22
\$28	\$19	CROSS OFF ONE BOX PER WEEK!				\$9	\$6

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