

**FOR THE BEST LIFE IN
YOUR TIME**

SAVING AND BUDGETING



LASHLEY FINANCIAL

2007

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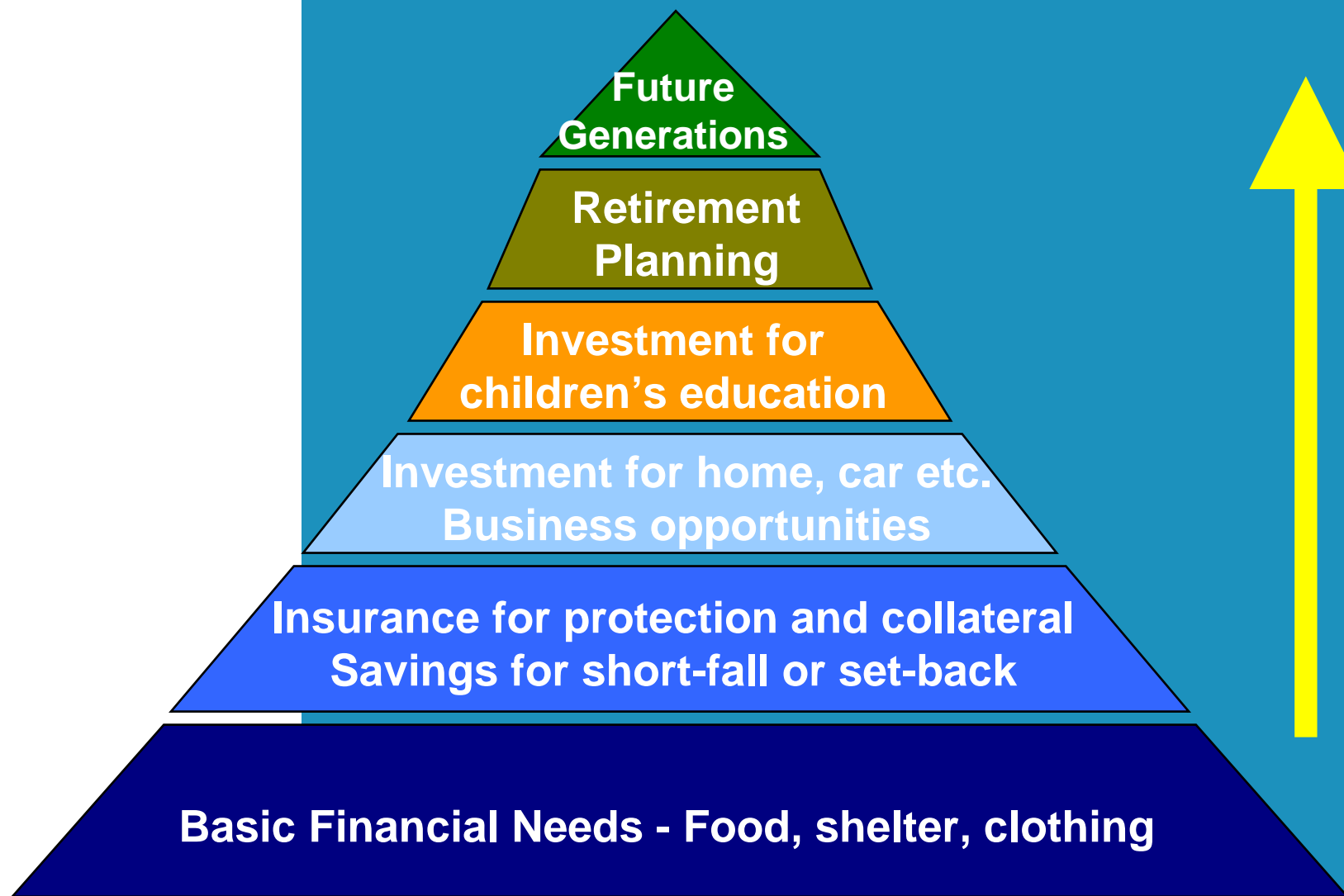
YOUR FINANCIAL ROADMAP

- **Financial well-being is a matter of balance - a personal budget is a tool to achieve that balance.**
- **Budgets help you to:**
 - Put your day-to-day finances in order
 - Develop good spending and saving habits - not living from pay cheque to pay cheque
 - Prepare for shortfalls in income or emergency expenditures
 - Put longer-term financial goals in perspective
 - Give you peace of mind that you are managing your money prudently.

“Good plans shape good decisions. That’s why good planning helps to make elusive dreams come true.”

SAVING AND BUDGETING

HEIRARCHY OF FINANCIAL NEEDS



FOUR STEPS TO A BALANCED BUDGET

STEP 1: IDENTIFY YOUR CURRENT INCOME AND EXPENSES

- What income do you have, from which sources and how reliable is this income?
- What are your 'fixed' expenses that you expect each month?
- What are your 'variable' expenses that change from month to month?
- How much are you saving and where?



FOUR STEPS TO A BALANCED BUDGET

STEP 2: SET YOUR BUDGET GOALS

- WHAT DO YOU WANT TO ACHIEVE?
 - Create an emergency fund to reduce financial impact of illness, injury or job-loss
 - To become financially independent
 - Pass on wealth to you children
 - Retire comfortably
 - Accumulate funds for a major purchase or mortgage down-payment
 - Educate yourself or your children
 - Own a home
 - Become debt-free.



FOUR STEPS TO A BALANCED BUDGET

STEP 3: CREATE YOUR BUDGET

- How much must you save to achieve your goals?
- Which spending is ESSENTIAL?
- Which spending can be reduced?
- Which spending can be eliminated?
- How much is available for saving - and is it enough?
- If not, ask yourself:
 - What do you want from life?
 - And what are you willing to sacrifice to get it?
- Review spending and ask again.



FOUR STEPS TO A BALANCED BUDGET

STEP 3: CREATE YOUR BUDGET MANAGE YOUR DEBT

- Are you consuming your future?
 - Credit is borrowing against your future earnings
- Hire Purchase
 - Can the living room suite last another year?
- Credit Cards
 - How much are you paying for the “privilege” having a credit card?
- Refinancing debt and debt counseling
 - Do you need help managing your debt?
- What is the role of your Credit Union?



FOUR STEPS TO A BALANCED BUDGET

STEP 3: CREATE YOUR BUDGET

SAVE, SAVE, SAVE

- Cut spending - & *ALL* spending is discretionary!
 - Clothing, entertainment, fast food, cell-phones
- Look at non-traditional areas
 - Insurance deductibles, bank charges, utilities
- Don't spend the extras - save them
 - Bonuses, tax refunds etc.



FOUR STEPS TO A BALANCED BUDGET

STEP 4: MONITOR HOW YOU ARE DOING

- Track your Income and your Expenses
 - You cannot control what you do not track
 - But you don't have to go down to the last penny
- Review your progress each month and annually
 - Are you spending too much? On what? Why?
 - Do you need to reduce your spending, revise your budget and change your goals?.





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