

A snapshot of an average household budget

Here's what an average household budget in Canada might look like.

| Expenses | Average expenditure (\$) | Share of budget (%) |
|---|--------------------------|---------------------|
| Personal taxes | \$11,560 | 22% |
| Shelter | 10,240 | 19 |
| Transportation | 6,880 | 13 |
| Food | 6,100 | 11 |
| Recreation | 2,960 | 6 |
| Personal insurance payments and pension contributions | 2,840 | 5 |
| Household operation | 2,410 | 5 |
| Clothing | 2,330 | 4 |
| Household furnishings and equipment | 1,480 | 3 |
| Gifts of money and contributions | 1,360 | 3 |
| Health care | 1,260 | 2 |
| Tabacco product and alcoholic beverages | 1,180 | 2 |
| Miscellaneous | 860 | 2 |
| Education | 760 | 1 |
| Personal care | 710 | 1 |
| Reading materials and other printed matter | 270 | 1 |
| Games of chance | 270 | 1 |
| Total Expenses | \$53,470 | |

This is taken from 1999 Statistics Canada information. Percentages do not add up to 100% due to rounding.

Now it's your turn

Here's a more detailed worksheet to help you assess your personal situation.

| Expense | This year's budget | This year's expenses | % of budget | Next year's budget |
|---|--------------------|----------------------|-------------|--------------------|
| Housing | | | | |
| Mortgage/rent | | | | |
| Property taxes | | | | |
| Home insurance | | | | |
| Upkeep | | | | |
| Utilities | | | | |
| Heat | | | | |
| Hydro | | | | |
| Water | | | | |
| Cable | | | | |
| Telephone | | | | |
| Family necessities | | | | |
| Food | | | | |
| Clothing | | | | |
| Life insurance | | | | |
| Other insurance (e.g. disability insurance) | | | | |
| Child care | | | | |
| Variable expenses | | | | |
| Entertainment | | | | |
| Donations | | | | |
| Vacation | | | | |
| Club memberships | | | | |
| Subscriptions | | | | |
| Retirement and investment savings | | | | |
| RRSP contributions | | | | |
| Non-registered savings | | | | |
| Other investments | | | | |
| Other expenses | | | | |
| Personal loan payments | | | | |
| Total expenses | | | | |

Tips to setting up a household budget – it's all in the family

Budgeting works better when each family member gets involved. If family members are included in the budgeting process, they will be more inclined to make an effort to make sure the budget is followed.

✓ Sit down with the rest of the family and assess everyone's financial needs and contributions.

✓ Decide together what your priorities are.

✓ Each family member should keep a close record of all the expenses — no matter how small — to get an idea of where money is going on a daily basis.

✓ Review your budget regularly to measure progress and identify changes that may need to be made.