

# Personal Finance & Budgeting — Workbook

This workbook is the action layer of the Personal Finance & Budgeting course. Each section maps directly to one course module and gives you exercises, worksheets, and checklists to apply what you learned to your own real numbers. This is general education, not personalized financial advice — use the tools here as a starting point and consult a qualified financial planner for decisions specific to your situation.

## Mapping Your Income and Expenses

Document every source of income and every spending category so you have an accurate baseline before building any budget.

### Exercise: Three-Month Income Audit

Pull your last three bank statements. Add every incoming deposit that represents earned or received income (exclude internal transfers between your own accounts). Record each source separately, then compute the monthly average and a conservative floor.

- List every income source you received in any of the last three months, with the amount received in each month

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- For sources that varied month to month (freelance, tips, variable hours), what is the three-month average? What is the lowest month?

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- Which income sources are guaranteed next month, and which are uncertain? How does that affect your planning number?

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- What is your final conservative monthly net income baseline for budgeting — and how did you arrive at that number?

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### Worksheet: Monthly Expense Baseline

Use your last full calendar month of bank and credit card statements. Assign each transaction to one category. Enter the actual total for each category. Do not estimate — use real numbers from real statements. Month and year being tracked

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Housing (rent or mortgage payment)

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Utilities (electricity, gas, water)

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Internet and phone

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Groceries

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Dining out and takeout

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Transportation (gas, transit, parking)

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Car loan or lease payment

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Car insurance

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Health insurance premiums (not pre-tax)

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Prescriptions and medical out-of-pocket

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Minimum credit card payments

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Minimum student loan payments

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Minimum personal loan payments

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Streaming and digital subscriptions

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Clothing and personal care

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Entertainment and hobbies

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Gym or fitness

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Gifts and charitable giving

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Miscellaneous and one-off purchases

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Total expenses this month

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Total income this month

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Net cash flow (income minus expenses)

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## Worksheet: Net Worth Snapshot

Complete this on the same day each month. Use current balances and conservative market estimates for assets. Total assets minus total liabilities is your net worth. Record the date so you can track the trend.

Date of this snapshot

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Chequing account balance (available after this month's bills)

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Savings account balance

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RRSP or 401k current market value

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TFSA or IRA current market value

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Non-registered investment account market value

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Real estate current conservative market estimate

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Vehicle current resale value

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Other liquid assets

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Total Assets

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Mortgage outstanding balance

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Car loan outstanding balance

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Student loan outstanding balance

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Credit card balances (all cards, full balance)

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Line of credit outstanding balance

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Other debts

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Total Liabilities

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Net Worth (Total Assets minus Total Liabilities)

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Net worth last month (for comparison)

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Month-over-month change

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### Checklist: Income and Expense Audit Checklist

- Pulled three months of bank statements and reviewed every line
- Pulled three months of all credit card statements
- Identified and listed every income source received in the last 90 days
- Calculated the three-month average and conservative floor for each variable income source
- Assigned every transaction in the last 30 days to a named expense category
- Identified at least two spending categories where actual spending surprised me
- Listed every active subscription and verified I still use each one
- Cancelled or flagged for cancellation any subscription I have not used in 60 days
- Computed my net monthly cash flow (income minus expenses)
- Completed the net worth snapshot and noted the date

### Building Your Monthly Budget

Apply the 50/30/20 rule and zero-based budgeting to your real income and build a monthly budget you will actually run.

#### Exercise: 50/30/20 Percentage Check

Using your income baseline and actual expense totals from Section 1, calculate what percentage of your income currently goes to needs, wants, and savings or debt. Compare to the 50/30/20 target and identify the biggest gaps.

- Add up all expense categories that qualify as needs (housing, utilities, groceries, minimum debt payments, essential transportation, insurance). What percentage of your net income does this represent?

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- Add up all wants (dining out, streaming, entertainment, clothing, gym, hobbies). What percentage of net income?

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- Add up everything going to savings, emergency fund, and extra debt payments above minimums. What percentage of net income?

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- Which of the three buckets is furthest from its 50/30/20 target, and what is one specific category you could adjust to move it closer?

#### Worksheet: Zero-Based Monthly Budget

Start with next month's confirmed net income. Assign every dollar to a specific category. The sum of all allocations must equal income exactly. If you have leftover dollars, assign them to savings or extra debt payment — do not leave them unallocated.

Budget month and year

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Expected net income this month

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Housing allocation

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Utilities allocation

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Internet and phone allocation

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Groceries allocation

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Dining out allocation

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Transportation and gas allocation

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Car insurance allocation

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Car loan or lease payment

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Health-related expenses allocation

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Minimum credit card payments

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Minimum loan payments

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Streaming and subscriptions allocation

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Clothing and personal care allocation

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Entertainment and hobbies allocation

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Gifts and miscellaneous allocation

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Car maintenance sinking fund monthly reservation

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Holiday and vacation sinking fund monthly reservation

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Annual expenses sinking fund monthly reservation (specify what you are saving for)

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Emergency fund contribution

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Retirement account contribution

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Extra debt payment (specify which debt)

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Other savings goal (specify)

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Total allocated (must equal income)

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Remaining unallocated (must equal zero)

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### Exercise: Sinking Fund Planner

List every predictable irregular expense in the next 12 months (car registration, insurance annual premium, holiday gifts, planned travel, software renewals, subscriptions that bill annually). For each, calculate the monthly reservation needed.

- List every expense you know is coming in the next 12 months that is not captured in your monthly fixed expense list. Estimate the dollar amount and the month it is due.
- For each irregular expense, divide the estimated amount by the number of months remaining until it is due. That is your monthly sinking fund contribution per item.
- What is your total monthly sinking fund allocation across all irregular items? Where in your zero-based budget will this come from?
- Which of these irregular expenses, if it arrived today without a sinking fund, would force you to use a credit card or draw from your emergency fund? Use that list to set funding priority.

### Checklist: Monthly Budget Process Checklist

- Completed the 50/30/20 percentage check against last month's actual spending
- Identified the category or categories where wants or needs exceed their target percentage
- Built a zero-based budget for next month before the month begins
- Assigned savings and debt payments before assigning any discretionary categories
- Confirmed the total of all allocations equals expected income exactly
- Added at least one sinking fund reservation for an upcoming irregular expense
- Set a weekly calendar reminder to review actual vs. budgeted spending
- Identified the one budget category I will actively reduce this month and by how much
- Written down what I will do with any surplus if income exceeds my conservative estimate this month

## Building Your Emergency Fund

Calculate your personal emergency fund target, choose the right account, and build a concrete plan to reach full funding.

### Worksheet: Emergency Fund Target Calculator

Add up only your essential monthly expenses — the spending you cannot cut if you lost your income tomorrow. Multiply by your chosen number of months based on your risk factors. This is your target.  
Rent or mortgage payment

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Utilities (electricity, gas, water, internet, phone)

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Groceries (essential, not dining out)

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Essential transportation (car insurance, gas or transit for work)

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Health insurance premiums

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Minimum debt payments (all debts)

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Basic personal and household supplies

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Total essential monthly expenses

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Risk factor assessment: single or dual income household?

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Risk factor assessment: employed or self-employed / freelance?

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Risk factor assessment: number of dependants

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Risk factor assessment: job market stability in your field

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Risk factor assessment: own a home with aging systems?

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Chosen number of months based on risk factors (3 to 6)

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Emergency fund target (total essential expenses multiplied by chosen months)

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Current emergency fund balance

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Gap remaining to reach target

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Planned monthly contribution to emergency fund

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Estimated months to reach full target at current contribution rate

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### Exercise: Savings Ladder Milestone Plan

Map your savings journey from current balance to fully funded using the five-rung savings ladder. Assign a target date to each rung based on your planned monthly contribution.

- What is your current emergency fund balance, and what rung of the ladder does that represent (\$0 = start, \$500-1000 = Rung 1, 1 month of essentials = Rung 2, and so on)?
- At your planned monthly contribution amount, how many months will it take to reach Rung 1 (\$500-\$1,000)? Write a specific target date for that milestone.
- Once you reach Rung 1, do you plan to continue the same contribution rate or adjust it? How does the presence of active high-interest debt change your answer?
- What specific action will you take in the next 48 hours to open or fund the dedicated HISA or TFSA account

for your emergency fund, if you have not already done so?

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### Checklist: Emergency Fund Setup Checklist

- Calculated my total essential monthly expenses using real numbers
- Assessed my risk factors and chosen a target number of months
- Calculated my specific emergency fund target in dollars
- Confirmed my emergency fund is in a dedicated account separate from chequing
- Confirmed the account is a HISA, money market, or TFSA earning at least 4% APY
- Confirmed the account is at a different institution from my daily chequing to reduce temptation
- Set up an automatic transfer to the emergency fund on or after each payday
- Written down exactly what qualifies as an emergency in my household — and what does not
- Identified a specific milestone (rung of the savings ladder) to celebrate when I reach it
- Scheduled a 30-minute calendar block on the first of each month to check the balance and confirm the automatic transfer executed

### Debt Prioritization and Payoff

Build a complete debt inventory, choose a payoff method, calculate your timeline, and plan how to redirect freed cash flow to wealth building.

### Worksheet: Complete Debt Inventory

Pull every account statement for every debt you currently owe. Fill in one row per debt. Calculate the monthly interest cost to understand what carrying each debt actually costs you per month. Sort by your chosen payoff method (highest APR first for avalanche, lowest balance first for snowball).

Debt name and lender

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Account type (credit card, student loan, car loan, line of credit, personal loan, other)

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Current outstanding balance

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Annual percentage rate (APR) — find on statement or call lender

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Is the interest rate fixed or variable?

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Minimum required monthly payment

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Monthly interest cost (balance multiplied by APR divided by 12)

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Months to payoff at minimum payment only

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Total interest paid if minimum payments only

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Payoff order number (1 = pay this first)

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Extra payment amount assigned to this debt above minimum

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Revised months to payoff with extra payment

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Revised total interest paid with extra payment

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Interest saved by paying extra

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Target payoff date

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### Exercise: Avalanche vs. Snowball Decision

Using your completed debt inventory, work through the comparison to choose the method you will commit to. There is no universally correct answer — the goal is to choose deliberately rather than by default.

- List your debts in avalanche order (highest APR first) and in snowball order (smallest balance first). Are these lists different, or do they produce similar sequences for your specific debt stack?
- Estimate: in avalanche order, how long until your first debt is fully eliminated? In snowball order, how long until your first debt is fully eliminated? Which timeline will keep you more motivated?
- Have you tried to pay down debt in the past and stopped? If yes, what caused you to stop — and which method (avalanche or snowball) is more likely to prevent that specific obstacle?
- Write your chosen method and your payoff order in a single sentence. Share it with someone who will ask you about your progress in 90 days.

### Exercise: Post-Payoff Cash Flow Redirect Plan

Plan now — before your first debt is paid off — exactly where that freed payment will go. The decision made in advance is far more likely to be followed than one made in the moment when the money suddenly appears.

- What is the total monthly payment (minimum plus extra) you are currently making toward your first payoff target? When it is gone, what specific account or goal will that exact amount be redirected to?
- If your emergency fund is not fully funded when your first debt is eliminated, how will you split the freed payment between completing the emergency fund and continuing debt payoff?
- Once all high-interest debt (above 7% APR) is eliminated, what is the first investment account or savings goal you will fund with the full freed payment?
- What lifestyle reward, if any, will you give yourself when you eliminate your first debt — and have you confirmed it is a one-time purchase, not a recurring expense upgrade?

### Checklist: Debt Payoff Launch Checklist

- Pulled every debt account statement and recorded the balance, APR, and minimum payment
- Calculated the monthly interest cost for each debt
- Calculated the total interest paid at minimum payments only for each debt — the number was probably alarming
- Chosen avalanche or snowball method and written my payoff order
- Determined my monthly extra payment amount above all minimums
- Confirmed I have a starter emergency fund of at least \$500 before directing extra money to debt
- Set up any debts on autopay for at least the minimum payment to avoid late fees
- Calendared a monthly review to track balance reduction and confirm payoff order still makes sense
- Written my post-payoff redirect plan for the payment freed by my first elimination
- Told one other person my target payoff date for the first debt on my list

## Your Action Plan

1. Pull your last three bank statements and all credit card statements this week — do not wait until the month resets
2. Compute your conservative monthly net income baseline using the three-month average or the lowest-month floor
3. Track every transaction for the next 30 days in a spreadsheet or app and assign each to a named category
4. Complete the net worth snapshot on the first of next month and save it somewhere you will update it monthly
5. Run the 50/30/20 percentage check against last month's actual spending to see where you stand before building a budget
6. Build a complete zero-based budget for next month before the first of the month arrives, assigning savings and debt payments before discretionary categories
7. Open a dedicated HISA or TFSA at an institution different from your daily bank and set up an automatic transfer on payday for your emergency fund contribution
8. Complete the full debt inventory with APR and monthly interest cost for every debt, then choose avalanche or snowball and write your payoff order
9. Add your chosen extra debt payment to the autopay or manual payment schedule for your first target debt this month
10. Set a recurring first-of-the-month calendar block (30 minutes) to update net worth, review the previous month's actuals, and build next month's budget



















