











Budgeting for others

Profile: _____

1. What expenses are noteworthy to the profile?

2. Create a balanced budget based on their monthly expenses (totaling 100%).

Category	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
 Food												____ %
 Housing												____ %
 Utilities												____ %
 Clothing												____ %
 Transportation												____ %
 Health and dental												____ %
 Education												____ %
 Recreation and entertainment												____ %
 Savings												____ %
 Debt repayments												____ %

3. What budgeting advice would you give?

Role cards

The De La Cruz family

Two parents in their mid-30s with two young kids in elementary school. Cristina is a public transit supervisor. Raoul is a self-employed delivery driver who does some photography work as a side gig.

Income: Moderate.

Housing: Cristina and Raoul rent a moderately priced two-bedroom apartment close to Cristina's work. 30% of their income goes to housing.

Utilities: Heating, electricity and water are included in the rent.

Gas and transportation: The family has one car, which Raoul uses for work. It's paid off except for insurance. The kids take the school bus, and Cristina has free public transit.

Health and medicine: All family members have health and dental insurance through Cristina's work benefits.

Recreation and entertainment: Both kids play on soccer teams, like video games and stream TV and movies. Raoul plays tennis. Cristina paints in her spare time and loves cooking. Neither of them shop often, except for their growing kids.

Debt: They have none because they pay off their credit card balance each month.

Savings: They try to save where possible, including putting some money into an education savings plan for their children.

Risk tolerance: Their tolerance is low given the financial demands of raising young kids.



The Bannerjee family

Two parents, a grandparent, two kids and a toddler. Ajay is a mechanic, and Chandra is a teacher. Their older kids are in elementary school and high school. Chandra's mother lives with them and is retired without a pension but has some small savings.

Income: Moderate.

Housing: The family owns a large four-bedroom house in the suburbs. 40% of their income goes to housing.

Utilities: They must pay for heating, electricity and water.

Gas and transportation: Chandra uses their van (paid off) to get to work and as the family's main form of transportation. Ajay walks to work.

Health and medicine: Chandra's insurance covers the family except for her mother, who has a small health insurance plan that she pays for using her savings.

Interests and lifestyle: The older kids are enrolled in activities: painting and band for one, soccer for the other. Their oldest child has a part-time job delivering newspapers. Chandra enjoys her book club and sewing with her mom. Ajay plays cricket and enjoys gardening. They make most of their meals at home. Chandra's mother provides child care for the baby.

Debt: Their monthly mortgage payments are reasonable due to a large down payment and a low interest rate. They have some unpaid credit card debt and a low-interest bank loan (line of credit).

Savings: The Bannerjees save where possible. Chandra's mother has some savings that she uses for her few expenses.

Risk tolerance: They cannot tolerate much risk given their number of dependents.



Role cards

The Smith–Jones

Recently graduated couple. Devon is a graphic designer, and Amy is a lawyer. They own two cats.

Income: High.

Housing: The couple owns a two-bedroom condominium in the city. 35% of their income goes to housing, including their mortgage, property taxes and condo fees.

Utilities: They must pay for heating and electricity.

Gas and transportation: They have two vehicles (one paid off, one leased), and both drive to work.

Health and medicine: Insurance from Amy's work covers both of them. However, services such as therapy are only half covered, so they must both pay for appointments.

Interests and lifestyle: Amy has a rock-climbing gym membership and borrows books from the library. Devon is a competitive biker and trains with a team. They travel together twice a year for Devon's tournaments and to see family. Both share music and TV streaming accounts. They have a health-conscious diet and eat out a few times a month. They occasionally buy toys and treats for their cats.

Debt: They are paying off a low-interest bank loan (line of credit) for a kitchen renovation as well as a small amount of credit card debt. Amy has a large student loan but has made small payments over many years.

Savings: The couple is investing some money in stocks and bonds.

Risk tolerance: Their tolerance is moderate as they have started investing.



The Robertson family

Jim is a realtor and lives in a small resort town. His young daughter lives half of the time with him and the other half with her mother, who lives in the same town. Jim pays child support but not spousal support.

Income: Moderate.

Housing: He and his daughter live in a three-bedroom house with a mortgage. 25% of his income goes to housing.

Utilities: Pays for heating and electricity.

Gas and transportation: Jim drives to different properties around the region with a mid-size car that he leases.

Health and medicine: Jim pays for a private insurance policy because he runs his own business. This policy covers most of his expenses, and his daughter's expenses are covered by her mother. He is in good health.

Interests and lifestyle: Jim likes to fish with his friends in the warmer months. In the winter, he tries to go south with his daughter for a vacation. He also plays the guitar and has a growing collection of them. His daughter enjoys reading and plays hockey. They eat out a few times a week while on the go.

Debt: He has a medium-sized mortgage with a low rate on his house. He's renovating it to sell and make a profit. To pay for his renovations, he has a large low-interest loan (line of credit), which he makes payments on each month.

Savings: Jim is hoping to use the profits from selling his house to reinvest in another property and increase his family's worth.

Risk tolerance: His tolerance is high. He is willing to bet on the housing market to buy, sell and reinvest.



Role cards

Phil Cameron

Full-time university student halfway through a science undergraduate degree. He has a part-time job as a waiter and receives moderate tips. He also has a small scholarship but pays high tuition and university fees.

Income: Low.

Housing: Phil lives at home with his parents, who charge him a small amount of rent. 10% of his income goes to housing.

Utilities: These are covered by his parents.

Gas and transportation: He takes public transit, which is included in his student fees. He also cycles half of the year when there is no snow.

Health and medicine: Phil's health insurance plan is included with his student fees.

Interests and lifestyle: He goes to the university gym a few times a week, which is covered by his student fees. He likes going to the movies, playing video games with friends and going out with his girlfriend. He plays in a recreational basketball league and eats out a few times a week.

Debt: He has a large student loan, but he won't have to pay it back until he graduates. However, the loan doesn't cover a small amount of his monthly education expenses. He also has a small amount of credit card debt and is paying in installments for his laptop.

Savings: Phil saves a small amount of money each month because he has plans to go on an international exchange in a year.

Risk tolerance: His tolerance is high. He wants to earn money quickly and feels he has time to recover from any financial mistakes.



Mr. Lao

Retired for 10 years after working at a recreation centre. He is widowed and lives alone, receiving a modest work pension and a government payment for seniors. He has a pet parrot.

Income: Low.

Housing: He owns a house in the country with no mortgage, but he does pay property taxes. 10% of his income goes to housing.

Utilities: He must pay separately for heating, electricity and water.

Gas and transportation: Mr. Lao drives his older car that is paid off.

Health and medicine: He is in pretty good health and uses a cane occasionally. He is also taking an expensive arthritis medication that is only partially covered by the government health plan.

Interests and lifestyle: Mr. Lao makes most of his meals at home but goes for coffee a few times each week. He also enjoys reading, walking and cross-country skiing. He travels to visit his grandkids a few hours away at least once a month. He has a small circle of friends at the community Legion Hall and plays poker once a week. He takes care of his parrot.

Debt: He has none. He pays off his credit card each month.

Savings: He just manages to break even each month given his pension constraints, leaving little room for saving. But he wants to save money to take his grandkids on a vacation.

Risk tolerance: Mr. Lao has a low tolerance for risk, given his limited income.



De La Cruz family - answer key



1. What expenses are noteworthy to the profile?

Considerations:

- The two kids have their own expenses to include.
- The family doesn't pay health or dental costs—they're covered by insurance.
- Transit costs are covered for Cristina, and the school bus is free for the kids.
- No debt makes things easier for the family budget.
- Three members of this active family have seasonal recreational activities.

2. Create a balanced budget based on their monthly expenses (totaling 100%)

<i>Category</i>	<i>Suggested amount or range</i>
Housing	30%
Utilities	0%
Gas and transportation	5-10%
Food	20-25%
Health and dental	0-5%
Education	10%
Recreation and entertainment	10-20%
Clothing	5-10%
Savings	10-20%
Debt repayments	0%

3. What budgeting advice would you give?

The De La Cruzes already have a lot of good money smarts and seem thoughtful about keeping their spending low. They don't seem to be spending too much in any budgeting category and should stay on this track. To be prudent, they should put away a bit more money for their kids' education, using a program that provides a government contribution.

They should also save for an emergency fund—especially if anything happens to their rental apartment—and for retirement since Raoul is probably not paying into a pension. Ideally, he breaks even with his part-time photography gigs covering the costs of equipment.

Bannerjee family - answer key



1. What expenses are noteworthy to the profile?

Considerations:

- They are a big family with several dependents.
- Everyone is involved in a lot of activities.
- The family members need a lot of transportation.

2. Create a balanced budget based on their monthly expenses (totaling 100%)

<i>Category</i>	<i>Suggested amount or range</i>
Housing	40%
Utilities	10-15%
Gas and transportation	5-10%
Food	10-15%
Health and dental	0-5%
Education	5-10%
Recreation and entertainment	10-15%
Clothing	5-10%
Savings	5-10%
Debt repayments	10-15%

3. What budgeting advice would you give?

The Bannerjees could easily get into debt if they do not cut some expenses. To bring down their expenses, they should consider a few things. Housing is a large cost for them, and they may want to downsize when their eldest child enters university or have some of the kids share a room. They should pay off their credit card balance to avoid interest fees, or move that debt into their line of credit, which would have a lower interest rate.

Wherever possible, they should try to save for an emergency and their kids' future studies. Their eldest could also set aside some money from his part-time job to save for his college or university studies. They should also consider putting money into a government savings plan that might provide some tax incentives or matching government contributions.

Smith-Jones family - answer key



1. What expenses are noteworthy to the profile?

Considerations:

- They pay the lease on one of their vehicles.
- The cost of pets can add up and needs to be factored in a budget.
- Their therapy appointments are only half covered by insurance and might be expensive.
- They are paying off a loan for their kitchen renovation.
- Both of them prioritize travel for their hobbies.

2. Create a balanced budget based on their monthly expenses (totaling 100%)

<i>Category</i>	<i>Suggested amount or range</i>
Housing	35%
Utilities	5-10%
Gas and transportation	10-15%
Food	15-20%
Health and dental	0-5%
Education	0-5%
Recreation and entertainment	10-20%
Clothing	5-10%
Savings	5-10%
Debt repayments	15-20%

3. What budgeting advice would you give?

The Smith-Jones family earn a good amount of money, but they also spend a lot. To help reduce costs, Devon could bike to work, meaning they could get rid of the leased vehicle. However, they may pay a penalty for returning it before the end of the lease. Their kitchen reno is an expense that should be paid off soon to avoid paying interest on debt. The same holds true for Amy's student loan: making larger payments now where possible might cut much of the total interest she will ultimately pay. They should compare both of these debts and determine which to prioritize based on interest rates and the rate of return.

Their combined fees for their hobbies can add up quickly. They may want to cut down on one hobby or reduce travel if the costs prevent them from focusing on their debt payment.

Robertson family - answer key



1. What expenses are noteworthy to the profile?

Considerations:

- This single father has costs for his daughter, but not for spousal support.
- He is heavily involved in the housing market as a realtor and a house flipper for his investments.
- He has costs related to his self-employment, such as health insurance.
- He and his daughter have some potentially expensive hobbies, and they travel each year.

2. Create a balanced budget based on their monthly expenses (totaling 100%)

<i>Category</i>	<i>Suggested amount or range</i>
Housing	25%
Utilities	10-15%
Gas and transportation	10-15%
Food	10-20%
Health and dental	5-10%
Education	0%
Recreation and entertainment	5-10%
Clothing	5-10%
Savings	10-15%
Debt repayments	10-20%

3. What budgeting advice would you give?

Jim Robertson runs the risk of having more debt if his renovation materials go up in price or if the housing market slows down and he does not make as much money as he'd like from selling his investment property. Fortunately, he is also using the family home as his primary residence, so he could stay in it as long as needed. His yearly income can also vary depending on how many properties he sells, leaving his income closely tied to the ups and downs of the real estate market.

He may want to reconsider his risk tolerance as he grows older, to support his daughter and save for a pension. To reduce his spending, he could stop adding to his guitar collection and limit his vacations south until he has sold his property.



Phil Cameron - answer key

1. What expenses are noteworthy to the profile?

Considerations:

- A lot of services are covered in his student fees: public transit, the gym, etc.
- His tuition fees are high.
- He earns some income as a part-time waiter.
- He's active and busy, and he eats out and socializes a lot.
- He lives at home and pays very little in rent.
- He has a few debts: a student loan, credit card and payment plan for his laptop.
- He's young and focuses more on immediate concerns and less on the long term.

2. Create a balanced budget based on their monthly expenses (totaling 100%)

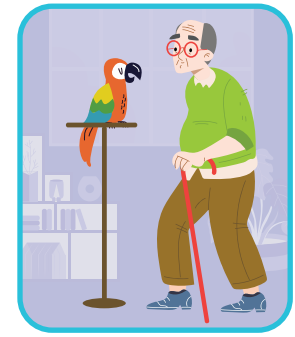
<i>Category</i>	<i>Suggested amount or range</i>
Housing	10%
Utilities	0-5%
Gas and transportation	0-5%
Food	10-15%
Health and dental	0-5%
Education	15-20%
Recreation and entertainment	10-15%
Clothing	0-5%
Savings	25-30%
Debt repayments	10-15%

3. What budgeting advice would you give?

Phil is making good use of all of the services his student fees provide. However, Phil's income from his part-time job is variable. He shouldn't assume he will have the same income from tips each month and should put more of his tips into a rainy day fund. This revenue would also be useful to put into savings to support his upcoming international exchange and related expenses (travel, accommodation, food, etc.). He may want to tie his tip wages to how often he goes out for entertainment or meals, so that he is not spending beyond his means.

His student loan payments don't start until after he graduates. However, having such a debt, he would be wise to build up some savings in advance, in case his job prospects are low when payment installments begin. He should also pay off his credit card each month when possible to avoid high interest.

Mr. Lao - answer key



1. What expenses are noteworthy to the profile?

Considerations:

- He lives on a fixed pension and may be affected by inflation.
- He has paid off his house and only needs to pay for utilities and property tax.
- He lives alone.
- His medication isn't fully covered by insurance.
- He travels regularly on short-distance trips.
- He pays the costs for his pet.

2. Create a balanced budget based on their monthly expenses (totaling 100%)

Category	Suggested amount or range
Housing	10%
Utilities	10-15%
Gas and transportation	10-15%
Food	10-15%
Health and dental	10%
Education	0%
Recreation and entertainment	10-20%
Clothing	0-5%
Savings	20%
Debt repayments	0%

3. What budgeting advice would you give?

Mr. Lao is in a pretty good financial position, as long as his health is stable and his property taxes do not greatly change. His pension is a fixed income, which could limit his budget depending on whether the pension payments rise with inflation. He will want to set aside a bit of money for his medication in case that price changes. His car is important for visiting his grandchildren, so he may need to budget for repairs to his older vehicle and think about a new one in a few years.

With limited income and potentially more challenges as he gets older, saving will be extra important, especially if he might need help or care, either at home or in a retirement home.