



Balance Sheets and Budgets



You can make a personal budget without a financial balance sheet, but it's a bit like Barack without Michelle or Céline minus the voice—only half of what it could be. Why not do both? Here's why:



A **financial balance sheet** is a bit like your yearly check-up with the doctor. But it gives you an accurate picture of your net worth rather than your health on a specific date. If you do it every year, you'll see your net worth growing. A financial balance sheet is also an essential tool for planning your retirement.



56 % of Canadians who have a financial plan know how much they should be saving for retirement vs only 28% of those who don't have a plan. And 71% of those with a plan believe they will have enough to retire, but only 32% of those without one feel the same way.



A **budget** shows you your current cost of living and how you're spending your money. If you have a savings goal, your budget will tell you exactly how much you can put aside, without restricting yourself to some of life's pleasures! The financial balance sheet is your canvas, and the budget is the paint and your brushstroke in just the right spot. And if a financial balance sheet is like a visit to the doctor, a budget is more like eating well and exercising.



Two-thirds of Canadians (66%) expect to make a major purchase in the next three years; 11% want to buy a home, 17% want to renovate their home, 14% are planning to travel, and 13% would like to buy a new car. How about achieving these goals with a peace of mind? The financial statement and the budget are your two best tools to achieve them.



39 % of Canadians under 65 have a hard time meeting their financial commitments and 29% of people have a credit card balance that they haven't paid off. Having a budget helps reduce unpleasant surprises.

Source: 2019 Survey by the Financial Consumer Agency of Canada.