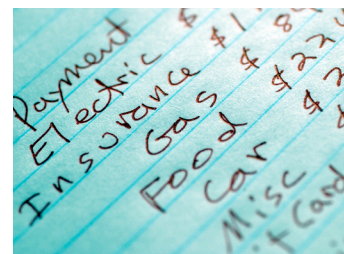


## Get on track with a spending plan



Have you ever felt like you're walking on a treadmill with your personal finances — doing a lot of work, but not getting anywhere? If so, you may need a spending plan to get back on track. A spending plan is a tool for prioritizing your financial goals and managing your money to reach them.

### Cash outflow

We're all familiar with the way small, daily expenses can consume a \$20 bill in the blink of an eye. But, have you ever really kept a record of where your money goes? Tracking your spending for a month or two is the first step in developing a plan. When you write down an expense, put it in one of these categories: fixed (insurance premiums, mortgage payment or rent, car loan, etc.); variable (food, clothing, entertainment, utilities, etc.); or savings/investments.

### Cash inflow

The other side of the equation is money coming in. You'll want to list all incoming funds for the same period you track your spending. Include all the money you received, including your salary, child support, tips and gifts.

### Building a plan

Once you have these records, a monthly spending plan that matches your income and expenses can be developed. The most workable spending plans:

- Limit monthly allocations of expenses, including savings, to available after-tax income

- Set aside money each month for larger expenses that are paid sporadically during the year
- Give each person in the family the flexibility to spend a certain amount as that person sees fit (a personal allowance)
- Are updated for periodic hikes in insurance premiums, property taxes and the like
- Provide a cushion for unforeseen expenses

For help tracking your monthly costs, use the Monthly Spending Plan calculator on [mybmoreirement.com](http://mybmoreirement.com). Log into your account, access the Resources tab and select the Calculator Tools page. Scroll and select the Monthly Spending Plan calculator to get a better idea of your spending habits.

### For further information on financial planning

We invite you to visit [mybmoreirement.com](http://mybmoreirement.com) or call the My BMO Retirement Line at **1-800-858-3829**.