

# How to Create a Grocery Budget



## Step 1: Commit to the Idea of a Budget

In order for a grocery budget to work, you must be willing to *have* a grocery budget in the first place. Decide today to be committed to the idea of having a grocery budget.

## Step 2: Track your Spending

In order to create a realistic grocery budget, you must track your monthly grocery spending purchases. Make sure to save every receipt you get. Including quick trips to the corner store for milk, the weekly grocery store trip and even when you eat out. At the end of each week or month, add up the amount you have spent, dividing items into categories such as:

- Produce
- Meat
- Dairy
- Pantry staples (spices, flour, sugar)
- Condiments
- Drinks (pop, juice, alcoholic beverages)
- Miscellaneous (toiletries, cleaning supplies, eating out, snacks)

Be sure to use the regular price of each item if they were on sale and add any grocery coupons *back* into the total. This gives you a realistic look at exactly how much things cost when they are not on sale and you are out of coupons.

## Step 3: Analyze the Numbers

At the end of the month, you're ready to start creating your budget.

1. Gather all of your receipts.
2. Using Worksheet #1, fill in your total amount spent for each week in the space provided.
3. Using Worksheet #2, fill in each item you purchased in the appropriate category (Produce, Meat, Dairy, Pantry staples, Condiments, Drinks, Miscellaneous).
4. Add up each grocery category and enter the totals of each category in the space provided.
5. Finally, take a look at the total you spent for the month and determine if this is a realistic amount to spend or if you should be trying to reduce your grocery bill.

Thanks to the fact that you categorized each product purchased, you can see exactly where money may be going to unnecessary purchases. Challenge yourself to reduce as many of those unnecessary purchases so you can reach your financial goals faster.

# Grocery Budget Worksheet #1



**The Goal of Worksheet #1:** To determine how much you are spending on groceries each week so you can create a realistic grocery budget that will help your family reach financial goals.

## The Basics:

Month and Year: \_\_\_\_\_

Total Monthly Income: \$ \_\_\_\_\_

Grocery Spending Totals for a One Month Period:

Week 1	Week 2	Week 3	Week 4	Week 5
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Spending for One Month: \$ \_\_\_\_\_

Percentage of Monthly Income Spent on Food: \$ \_\_\_\_\_

*To calculate the percentage, take your total spending for one month and divide by your total monthly income. This equals 'A'. Move the decimal point of A to the right two spaces for the percentage.*

- It is recommended by financial experts that Canadians spend 10 - 20% of their monthly income on groceries.
- Statistics Canada states that the average adult eats on average \$200-250 of food each month.

## Take a minute to answer to the following questions:

1. Does your current grocery spending fall into the 10 - 20% of your monthly income that is recommended?
2. What are your financial goals?
3. Consider the percentage of income your family spends on food and your financial goals. Does your spending align with your goals? Why or why not?
4. What needs to change in order for you to meet your financial goals?

**Going Forward:** Your new grocery budget for the following month is the total you spent during this one month period. Your goal is to not spend any more than this amount next month, ideally less if your financial goals are to pay off debt or to purchase something with 100% cash down. Move on to worksheet #2, but continue to keep track of your spending each month so you can make adjustments to your budget as you see fit.





# Grocery Budget Overview Year: \_\_\_\_\_

Grocery Category	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Totals
Produce													
Meat													
Dairy													
Pantry Staples													
Condiments													
Misc.													
Totals													