

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 Worksheet #2



The Goal of Worksheet #2: To determine the foods you are bringing home, how much money is being spent on non-essentials and to understand how much you're spending on each food group.

The Basics:

Date: _____

Total Grocery Spending for One Month (from Worksheet #1): \$ _____

What are you *really* spending your money on?

Using the receipts you kept for Worksheet #1, write down every item you purchased. Be as specific as you can when filling these charts out, including quantity and price.

Produce
(fresh/frozen fruit, vegetables)

Total Spent: \$ _____

Meat
(chicken, beef, lunchmeat, etc.)

Total Spent: \$ _____

Dairy
(milk, eggs, cheese, etc.)

Total Spent: \$ _____

Miscellaneous

(chips, granola bars, eating out...)

Total Spent: \$ _____

Pantry Staples

(flour, beans, canned goods...)

Total Spent: \$ _____

Condiments

(salad dressings, spices, ketchup)

Total Spent: \$ _____

Evaluation:

Food Group with the Highest Total: \$ _____

Food Group with the Lowest Total: \$ _____

Single Most Expensive Purchase: _____

Single Item Purchased Most Often: _____

Take a minute to answer to the following questions:

1. What types of foods do you want your family eating?
2. From what you've been noticing from filling out this worksheet, is the food you're buying in line with what you want your family eating?
3. Consider your financial goals from Worksheet #1. What three changes can you make to your grocery spending that will have a lasting impact on your grocery spending and help you reach your financial goals?

Going Forward: Try to eliminate all non-essential purchases in each category and reduce the times you eat out. These two changes will have long lasting impacts on your grocery budget. Repeat this worksheet each month. After each month, fill in your totals in the Grocery Budget Overview sheet so you can get a nice look at how you're spending your grocery money throughout the year.

Are you interested in learning some tips on how to lower your grocery bill? Be sure to check out my new ebook, [Trim Your Grocery Bill!](#) It's full of practical tips and printables to help you make strides in reducing your grocery bill.

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													