

Weekly Tip #7 - August 12, 2013

Do you have a Budget?

When planning an event overspending can be easy if you have not set a budget. Therefore, this should be the *first* step in your party planning process! Regardless of your budget any event can be a success, however failure to set and work within a budget can result in a disaster. Where do you start? How many people do you invite, what kind of food do you want to serve, do you offer alcoholic beverages? All these questions can be answered once you've set realistic Budget. So let's clarify what a realistic Budget means- the money you spend should be discretionary income, it should not be charged on credit cards you cannot pay back immediately, It should be money you can live without! A party no matter how important should not be a burden on you or your finances. A good rule of thumb to use is to use 65%-75% of your budget for food and beverages, if you are serving alcohol keep in mind that there will less money left over for food. The remaining 35%-25% of your budget should be used for décor, paper goods and rentals. The idea is to start with your Budget and work backwards, here's an example.

Step 1- Decide how much you can comfortably spend.

Example: \$300 Budget using both 75% (A.) & 65% (B.)

A) $\$300 \times 75\% = \225 for food (you'll have less décor)

B) $\$300 \times 65\% = \195 for food (you'll have more décor)

Step 2- Next finalize your guest list and divide the number of guest into your food Budget to determine if you are serving a full dinner, a casual BBQ or maybe a fun dessert party!

Example: 25 ppl invited Using both budgets

A) $\$225/25 = \9 per person for food

B) $\$195/25 = \7.80 per person for food

Step 3- In this step you can decide what option works best for you , if option B is not enough for your food then go to option A. meaning you will have less decor. Tweak and make adjustments at this step, However do NOT adjust your budget, that should never change! Another way to increase your spend per person is to decrease your guest count , if that's not an option change the formality of the party to decrease the amount or type of food needed.

Example reducing guest count to 20 ppl, adds \$2.25 ppl

$\$225/20 = \11.25 per person for food

Remember, there are always ways to save money when it comes to food, think about the food items that you can prepare at home vs. purchasing pre-made food. A fancy purchased cake for example, can absorb a huge part of your budget, try making your own and save at least half of what you would pay for a bakery cake. When it comes to beverages, cans and bottles will cost you twice as much as making a fun punch or signature drink. If you entertain more than 2 or 3 times a year invest in some inexpensive buffet plates and bulk glassware, in the long run you will save money vs. buying disposables. This will also leave more in your budget for the food portion of your event, and it's better for the environment! So follow these guidelines to plan an event within you budget that you can actually enjoy without the guilt of overspending!