

Budgeting 101

Financial Literacy - Budgeting



Welcome

Budgeting is a fundamental financial skill that empowers you to take control of your money.

In this slideshow, we'll cover the basics of budgeting and provide practical tips to help you achieve your financial goals.



Importance

Budgeting helps you understand where your money is going.

It allows you to make informed decisions, prioritize expenses, and save for the future.



Assess Your Income

Calculate your total income, including salaries, allowances, and side gigs. Knowing your income is crucial for creating an effective budget.

- Take into account any fluctuations or irregularities in your income
- Consider any additional sources of income, such as scholarships, grants, or financial assistance programs.
- Remember to be realistic when assessing your income



Track Your Expenses

Track all your expenses for a month, categorizing them into fixed expenses. Take into account any fluctuations or irregularities in your income

- Rent, Utilities
- Groceries, Entertainment

This step helps you understand your spending patterns and identify areas for improvement.



Create Categories

Organize your expenses into categories such as housing, transportation, food, debt payments, and savings. Categorizing your expenses provides clarity and makes budgeting easier.

01

Housing

Mortgage Payments

02

Transportation

Gas, Transit Fees, Taxi

03

Food

Groceries, Eating Out

04

Debt Payments

Loans, Personal Loans, Car Loans, Credit Cards



Set Financial Goals

Track all your expenses for a month, categorizing them into fixed expenses. Take into account any fluctuations or irregularities in your income

- Rent, Utilities
- Groceries, Entertainment

This step helps you understand your spending patterns and identify areas for improvement.



Allocate Funds

Assign a specific amount to each expense category based on your income and priorities.

Ensure that your total expenses do not exceed your income. Be realistic but also challenge yourself to find areas where you can reduce spending.



Automate Savings

Make saving a priority by setting up **automatic transfers to a separate savings account**. Aim to save a percentage of your income each month. Automating savings ensures **consistency** and helps you reach your goals faster.



Bottom Line

Budgeting is a powerful tool for financial success. By assessing your income, tracking expenses, setting goals, and prioritizing savings, you can take control of your finances. **Start budgeting today and pave the way for a brighter financial future!**

