

Week 3:

Spending/Budgeting



Savings

TYPES OF SAVINGS:

- **EMERGENCY FUNDS**
- **LONG-TERM SAVINGS**
- **SHORT-TERM SAVINGS**



Steps to save effectively:

1. PAY YOURSELF FIRST:

2. SET SPECIFIC SAVING GOALS:

3. TRACK YOUR PROGRESS:

4. AVOID IMPULSE SPENDING:

5. TAKE ADVANTAGE OF INTEREST



Budgeting



**BUDGETING IS THE
PROCESS OF PLANNING
HOW TO SPEND AND SAVE
YOUR MONEY WISELY.**

Steps to create a budget:

1. DETERMINE INCOME:

2. LIST YOUR EXPENSES:

3. CATEGORIZE YOUR SPENDING:

4. SET SPENDING LIMITS:

5. TRACK YOUR SPENDING:

6. ADJUST AND REVIEW:

Budgeting Methods

50/30/20 RULE: 50% INCOME = NEEDS, 30% INCOME = WANTS, AND 20% INCOME = SAVINGS/ DEBT REPAYMENTS

2. ENVELOPE-SYSTEM

