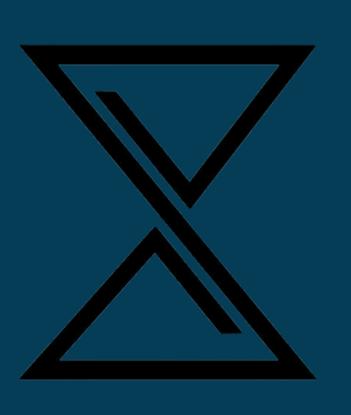
### Week 3:

## 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