

The Personal Finance Series

Money Management & Budgeting



In this Presentation

Here's what we'll cover:

What is a Budget

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Why You Need One

.....

How to Budget in Real Life

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Real Stories from Athlete Mistakes

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Budgeting

Loosely defined budgeting is about **ASSIGNING** your money. It is about understanding how much you are receiving from your income sources, how much you need to spend to live, and how much you should save to have for deferred consumption (in case of emergencies)



Without Budgeting

- People have no idea how much money is in the bank and could cause them other financial burdens i.e Overdraft fees
- People tend to overspend, not saving money for an emergency
- No knowledge as to where your money is going - how much you consume (use), rate of consumption, how much you should be spending/saving

With Budgeting

- People have more control and access over their money.
- People have less stress about how they navigate their day to day lives
- Plans allow for easier navigation for long term planning like saving for a home, new car, vacation, etc.



Real Life: Risks & Rewards

A Sample Budgeting Tool

Here are some of the most common items one budgets for during post-collegiate years. These will vary on things like, will you have a room mate to split fees with? Will you stay at home and save before launching out into the world? Will you rent or buy your vehicle? How much debt will you be in once graduating? Student Loans?

PERSONAL MONTHLY BUDGET				
PROJECTED MONTHLY INCOME	Income 1		\$4,300.00	
	Extra income		\$300.00	
	Total monthly income		\$4,600.00	
ACTUAL MONTHLY INCOME	Income 1		\$4,000.00	
	Extra income		\$300.00	
	Total monthly income		\$4,300.00	
PROJECTED BALANCE			(Projected income minus expenses)	\$3,405.00
ACTUAL BALANCE			(Actual income minus expenses)	\$3,064.00
DIFFERENCE			(Actual minus projected)	(\$341.00)
HOUSING	Projected Cost	Actual Cost	Difference	
Mortgage or rent	\$1,000.00	\$1,000.00	\$0.00	
Phone	\$54.00	\$100.00	-\$46.00	
Electricity	\$44.00	\$56.00	-\$12.00	
Gas	\$22.00	\$28.00	-\$6.00	
Water and sewer	\$8.00	\$8.00	\$0.00	
Cable	\$34.00	\$34.00	\$0.00	
Waste removal	\$10.00	\$10.00	\$0.00	
Maintenance or repairs	\$23.00	\$0.00	\$23.00	
Supplies	\$0.00	\$0.00	\$0.00	
Other	\$0.00	\$0.00	\$0.00	
Subtotal			-\$41.00	
TRANSPORTATION	Projected Cost	Actual Cost	Difference	
Vehicle payment			\$0.00	
Bus/taxi fare			\$0.00	
Insurance			\$0.00	
Licensing			\$0.00	
Fuel			\$0.00	
Maintenance			\$0.00	
Other			\$0.00	
Subtotal			\$0.00	
FOOD	Projected Cost	Actual Cost	Difference	
Groceries			\$0.00	
Dining out			\$0.00	
Other			\$0.00	
Subtotal			\$0.00	
ENTERTAINMENT	Projected Cost	Actual Cost	Difference	
Video/DVD			\$0.00	
CDs			\$0.00	
Movies			\$0.00	
Concerts			\$0.00	
Sporting events			\$0.00	
Live theater			\$0.00	
Other			\$0.00	
Other			\$0.00	
Other			\$0.00	
Subtotal			\$0.00	
LOANS	Projected Cost	Actual Cost	Difference	
Personal			\$0.00	
Student			\$0.00	
Credit card			\$0.00	
Credit card			\$0.00	
Credit card			\$0.00	
Other			\$0.00	
Subtotal			\$0.00	
SAVINGS OR INVESTMENTS	Projected Cost	Actual Cost	Difference	
Retirement account			\$0.00	
Investment account			\$0.00	
Other			\$0.00	
Subtotal			\$0.00	

Real Stories: What's Next?

Mistakes that professional athletes make with money

There are too many athletes with real life horror stories of "getting got", mismanagement of money, trusting the wrong people, not paying closer attention to their money. **ULTIMATELY YOU ARE RESPONSIBLE FOR YOUR MONEY.**



Best Practices

1

Trust but Verify - don't take people at their word, but research and do due diligence for yourself.

2

Birds of a feather flock together - who you hang around will influence how your money is managed.

3

Pay attention to your money - don't ignore what's going on in your accounts because you have faith it will be there.

4

Make your money work for you

5

If you have some missteps, acknowledge them so that you can implement a corrective plan and get back on course. Life is to be lived.

Do you have any questions?

Send it to us! We hope you
learned something new.

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