



PROSPERITY & WEALTH
PRESENTS:

UNDERSTANDING
FINANCIAL LITERACY

UNDERSTANDING FINANCIAL LITERACY

Essential Money Management Skills

Financial literacy includes learning budgeting, saving, and investing to manage money effectively for a secure future.

Informed Financial Decisions

The course empowers individuals to make smart financial choices and avoid pitfalls like accumulating unnecessary debt.

Planning for the Future

Topics like credit scores, banking, and goal setting are covered to help participants prepare for long-term financial success.

MODULE 2: BUDGETING AND MONEY MANAGEMENT

MASTERING YOUR FINANCES

UNDERSTANDING A BUDGET

Definition of a Budget

- ❑ A budget is a financial plan that lists expected income and expenses for a set time. It provides a clear overview of financial resources.

Resource Management

- ❑ Budgets help individuals and organizations manage money, prioritize spending, and achieve financial goals. They provide structure for effective financial control.

Promotes Responsible Behavior

- ❑ Tracking and controlling expenses encourages responsible financial behavior and supports smart decision-making about spending and saving.



TYPES OF BUDGETS

50/30/20 budget:

Definition: Allocate 50% of your monthly income for needs, 30% for wants, and 20% for savings and/or debts.

Useful for: Budget beginners or people who are focused on repaying debts more quickly and/or building savings.

Zero-Base Budget:

Definition: Allocate every dollar of your monthly income to an expense or category of your budget so there 's \$0 left over.

Useful for: Budgeters who want to know how every dollar is spent: allows for flexibility with payment division

Pay-Yourself - First Budget

Definition: Allocate a conservative estimate out of your monthly income for savings first, then divide the remainder among your other budget categories.

Useful for: Budgeters who want to focus on savings and make enough monthly income to cover both their needs and wants comfortably.

HOW TO CREATE A BUDGET



List Income Sources

Identify all monthly income sources, such as salary or freelance work, as the basis of your budget.



Identify Essential Expenses

List necessary expenses, including rent, groceries, and utilities, to track monthly financial outflows.



Allocate Savings and Discretionary Funds

Set aside part of your budget for savings and discretionary spending to support financial goals.

An example of the
personalized Prosperity &
Wealth LLC budget template



Bi-weekly, Monthly & Yearly Budget

Pay Period	Year		
	Estimated Income	Actual Income	Difference
Income 1	\$ 1,790.95	\$ -	\$ (1,790.95)
Income 2	\$ 900.00	\$ -	\$ (900.00)
Totals	\$ 2,690.95	\$ -	\$ (2,690.95)
Expenses			
	Estimated Expenses	Actual Expenses	
Gas	\$ 293.80	\$ -	\$ (293.80)
Subscription	\$ 11.99	\$ -	\$ (11.99)
Phone bill	\$ 240.85	\$ -	\$ (240.85)
Debt payment	\$ 30.00	\$ -	\$ (30.00)
Groceries	\$ 61.00	\$ -	\$ (61.00)
Misc Spending (Book Club & Social Club)	\$ 374.44	\$ -	\$ (374.44)
Car Insurance	\$ 116.94	\$ -	\$ (116.94)
Investment	\$ 158.00	\$ -	\$ (158.00)
Savings (Emergency Fund)	\$ 294.93	\$ -	\$ (294.93)
Savings (Sinking Fund)	\$ 259.00	\$ -	\$ (259.00)
Car note	\$ 450.00	\$ -	\$ (450.00)
Electric	\$ 150.00	\$ -	\$ (150.00)
Water	\$ 250.00	\$ -	\$ (250.00)
Totals	\$ 2,690.95	\$ -	\$ (2,690.95)
Remaining Balance	\$ -	\$ -	\$ -

ESSENTIAL BUDGETING TOOLS

Automated Budgeting Apps

Apps automate expense tracking and provide insights, making budgeting more convenient and accessible for users. (ex. YNAB app)

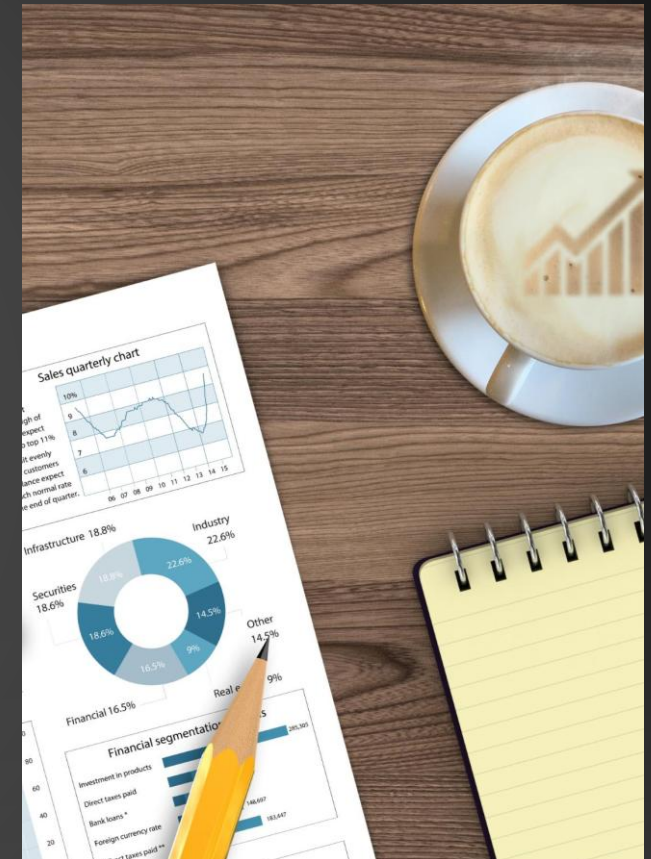
** The app is not free, but it offers a free trial to see if it's a good fit*, you will not be able to use the full functionality without paying**

Customizable Spreadsheets

Spreadsheets enable users to organize their finances and analyze expenses using personalized templates and flexible functions. (ex. Microsoft Excel, Google Sheets, & Tiller Money budget templates)

Manual and Physical Tools

Notebooks and envelope systems provide hands-on management, enabling users to tangibly connect with their budgeting goals. (ex. Budget planners/Journals)



MODULE SUMMARY

Topics Covered:

- ✓ What is a budget?
- ✓ Types of Budgets
- ✓ How to Create a Budget
- ✓ Budgeting Tools

❖ **Key Takeaways:** A budget helps you control your spending, save for goals, and avoid debt.

Get in Touch!

Have questions about the strategies in this presentation, or want to share your success story? I'd love to hear from you.

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