



## *Chapter 3 - FINANCIAL EDUCATION*

### **3.1 FAMILY BUDGET**



Funded by the  
Erasmus+ Programme  
of the European Union

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

## How to manage your money:

### 1. Know your expenses:

An expense is the money you spend. Knowing how you spend your money can help you plan how to cover your expenses and reach your financial goals.

Having full knowledge of your monthly budget -expenses/income- can help you in the following ways:

- Leading to more stability and improved life quality
- Give you a sense of control over your money
- Achieve your financial goals

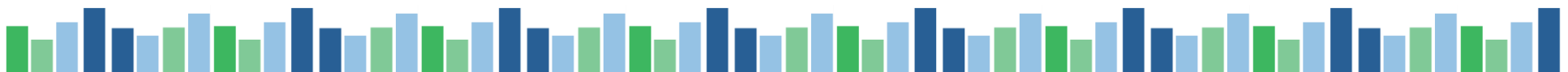
### 2. Track your daily income and expenses

Taking notes of your daily expenses helps you to understand what happens to your money and makes you able to plan your future budget.

DAY	DATE	ITEM	AMOUNT
Sunday			
Monday			
Tuesday			
Wednesday			
Thursday			
Friday			
Saturday			
<b>TOTAL</b>			

It also helps to fill in a table calculating your income and your expenses.

**Download the family budget table – an easy to use template, where you just need to fill in the amounts!**



If your expenses are greater than your income, by reviewing the budget you can evaluate the unnecessary costs and decide at which one to renounce. In fact, you can divide your expenses generally into two main categories:



To help you decide which expenses to prioritize and include in your budget, label each expense as a **need** or a **want**. Some expenses, such as airtime, may be both a need and a want. You can create a third group for expenses like those. After you have separated your expenses, it will be easier to decide what to cut from your budget based on your expected income. You may choose to add in savings towards one of your financial goals. You can review your expenses to see which ones are most important to have now and those that can be purchased at a later time.

### SOME SUGGESTIONS TO STAY WITHIN YOUR BUDGET

- Remind yourself what you planned to spend
- Keep savings out of reach so you do not spend them
- Put in the budget something for unexpected spending needs
- Keep track of your expenses
- If you spend more on one item, spend less on something else
- Be sure you do not spend more than is budgeted
- Make a list of unnecessary expenses you can cut

