

Master Your Finances with Finance 360

Your Comprehensive Guide to Budgeting, Saving, and Achieving Financial Goals.

Explore actionable steps and tools to take control of your financial future. >>





About **finance** 360

Finance 360 is a dynamic and interactive educational program designed to make financial literacy accessible to everyone, regardless of age or background.

Our mission is to empower individuals with practical knowledge and skills that can be applied in real-world scenarios to achieve financial independence.

01 Welcome

Start your journey toward financial independence. Finance 360 is here to guide you through every step of understanding and managing your money.

02 Understanding your financial habits

Explore how your spending behaviors shape your financial health. Identify positive habits to reinforce and negative ones to improve.

03 Needs vs. wants

Learn to differentiate between essential expenses (needs) and discretionary spending (wants). Prioritize what truly matters to achieve financial stability.

04 How to set up a budget

Discover practical steps to create a personalized budget that fits your lifestyle and helps you meet your financial goals.

05 Five types of budgets

Explore different budgeting styles—from Zero-Based Budgets to the 50/30/20 Rule—and choose the one that works best for you.





Financial literacy is
the foundation for
building the life you
want.

**Learn, plan, and
grow with the
power of informed
decisions.**

Introduction to Personal Budgeting

WHAT IS A BUDGET? A budget is a financial plan that helps you organize and manage your income and expenses. It allows you to prioritize your financial goals, control your spending, and build a foundation for financial stability.

WHY IS BUDGETING IMPORTANT?

- **Financial control:** a budget gives you clarity about where your money is going. You'll be able to identify unnecessary expenses and redirect funds toward your goals.
- **Goal setting:** whether it's saving for education, buying a car, or traveling, budgeting helps you allocate resources effectively.
- **Stress reduction:** by understanding your financial situation, you can avoid debt and prepare for unexpected emergencies.
- **Better decision-making:** with a clear picture of your finances, you can make informed decisions about spending and saving.



Types of Budgets

ZERO-BASED BUDGET

Every dollar is **assigned to a category**, ensuring no money is left unaccounted for. This method forces you to justify every expense, making it ideal for those looking to cut unnecessary spending.

Example: If you earn \$3,000, you allocate every dollar to expenses, savings, or investments, leaving a balance of \$0.



50/30/20 RULE

This simple rule helps you allocate your income effectively:

- **50% to needs** (e.g., rent, utilities, groceries).
- **30% to wants** (e.g., entertainment, hobbies).
- **20% to savings or debt repayment.**

Example: With a \$3,000 income, you'd allocate \$1,500 to needs, \$900 to wants, and \$600 to savings.



ENVELOPE SYSTEM

A cash-based approach where you use envelopes to allocate funds for specific categories (e.g., rent, food, entertainment). **When an envelope is empty, you stop spending in that category.**

Modern Tip: Use digital "envelopes" in budgeting apps to track spending.

PAY-YOURSELF-FIRST BUDGET

Focus on saving first by automatically allocating a portion of your income to savings and investments before covering other expenses.

Example: Save 20% of your paycheck before paying for wants or discretionary items.



VALUE-BASED BUDGETING

Prioritize spending on what matters most to you. This method aligns your spending with your personal values and goals.

Example: If education and travel are priorities, allocate more resources to those and cut back on non-essential areas like dining out.



CHAPTER 01

Understanding Your Financial Habits

What are **financial habits**?

Financial habits are the **consistent behaviors and patterns** that **define how you manage your money**. These can be positive, such as saving regularly, or negative, such as overspending on non-essential items. **Understanding your habits is the first step to making improvements.**

ANSWER THE FOLLOWING QUESTIONS TO GAIN INSIGHT INTO YOUR FINANCIAL BEHAVIORS:



01

How do you track your spending currently?

02

Do you have a monthly savings goal? If yes, what percentage of your income do you save?

03

When was the last time you reviewed your bank or credit card statements for unnecessary expenses?

KEY TAKEAWAY If you're not tracking your spending, you might be overlooking small daily expenses that add up, such as coffee or snacks. By identifying these, you can redirect funds toward savings.

MANUAL TRACKING TABLE EXAMPLE

Tracking your expenses is an essential step in understanding your **spending habits** and **gaining control over your finances**. It allows you to see exactly where your money is going and identify areas where you might need to cut back or reallocate funds. By consistently recording your expenses, you create a clear picture of your financial behavior, which is essential for making informed decisions and setting achievable goals.

TO TRACK YOUR SPENDING MANUALLY, USE A TABLE LIKE THIS TO RECORD DAILY EXPENSES AND CATEGORIZE THEM:

Date	Description	Amount (\$)	Category	Notes
01/01/2025	Coffee	4.50	Want	Daily morning coffee
01/01/2025	Groceries	25.00	Need	Weekly shopping trip
01/02/2025	Ride-Share Service	15.00	Want	Commute to work
01/15/2025	Electricity Bill	75.00	Need	Monthly utility expense

INSTRUCTIONS:

1. Record every transaction daily.
2. Use categories like "Need" and "Want" to understand spending priorities.
3. Add notes for any context or reasons for spending.



SAVINGS CIRCLE ACTIVITY

Visualizing your savings goals is a practical way to stay motivated and ensure consistency in your financial planning. This activity helps you **calculate your monthly savings** and **see how it fits into your overall income**. Use the circle diagram to map out your financial strategy and savings commitment. Below, use the circle diagram to visualize your total monthly income and calculate savings. Shade in the portion you plan to save.

INSTRUCTIONS:

STEP 01

Write your **total monthly income** in the circle.

STEP 02

Calculate 20% of your income
(recommended savings percentage).

STEP 03

Indicate the **amount you want to save** and shade the corresponding portion.



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