

Budgeting & Money Management

Smart Women, Smart Money 2022



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ABOUT ORION



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YOUR FINANCIAL FUTURE

NEVER TOO LATE OR TOO EARLY TO PREPARE

- What is a budget?
- Types of Budgets
- Benefits
- Consequences
- Tips to creating a Budget



Quiz

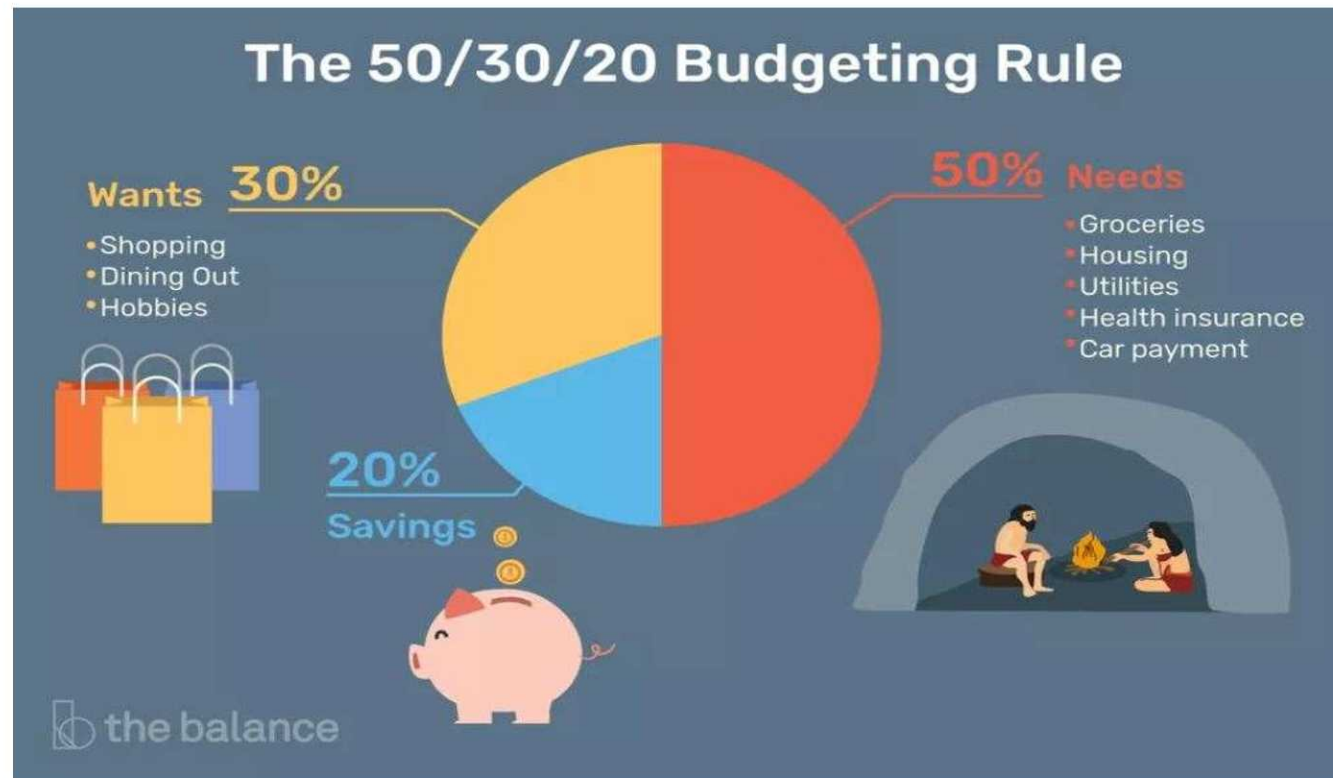
- **What is budgeting?**
 - **(A) Having money left over at the end of the month.**
 - **(B) A plan made in advance regarding the expenditure of money based on available income.**
 - **(C) The ability to pay your bills on time.**
 - **(D) Having enough money to go out to eat.**



Types of Budgets

- **50/30/20 Rule**
- **Envelope System**
- **Tradition Budget**
 - **Digital**
 - **Paper**

The 50/30/20 Budgeting Rule



Envelope System

- **An envelope for each category of spending**
- **Place a predetermined amount of money in each envelope every pay period**
- **When money is spent from an envelope, the transaction details are recorded on the outside of the envelope.**
- **When the envelope is empty, spending ceases.**

Traditional Budgets

- **Paper Budget**
- **Digital Budget**
 - **MoneyDesktop - Orion**
 - **EveryDollar – Dave Ramsey**



BENEFITS OF BUDGETING

- 
- **Control of finances**
 - **Makes talking about finances easier**
 - **Pay down debt quickly**
 - **Plan for unexpected expenses**
 - **Cut expenses**
 - **Find extra money**
 - **Plan for retirement**
 - **Live Better**

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CONSEQUENCES OF NOT BUDGETING

- 
- **Damaging credit**
 - **Stress**
 - **Getting loans to fill the gap**
 - **Overspend/ Overdraft**
 - **Rob Peter to Pay Paul**
 - **No tracking**
 - **Unprepared for Emergencies**

“Start where you are.
Use what you have.
Do what you can.”
— Arthur Ashe



Types of Pay Period

Weekly

Paid more frequently

Semi-monthly

Paycheck amounts are typically higher

Bi-weekly

Twice a year employees will actually receive three paychecks a month

Monthly

Simplifies Budgeting

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GETTING ORGANIZED (The hardest part!)

- Get your statements in order and log into every single account you have open.
- Find out exactly how your money is coming in and where it's leaving your pocket.
- Organize things in a way that makes sense to you!



GETTING ORGANIZED (The hardest part!)



personal finance organization



Book1 - Excel

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW DEVELOPER					
Clipboard		Font		Alignment	
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Format as Table		Cell Styles			

	A	B	C	D	E	F
1	Bill	Balance	Amount	Due Date	This Month	
2	Rent		\$1,550.00	10/1/2017	1550	
3	Utilities		\$250.00	10/1/2017	250	
4	Netflix	N/A	\$13.26	10/4/2017		
5	Ooma Phone		\$14.82	10/4/2017		
6	Verizon Wireless	N/A	\$237.00	10/13/2017	207.42	
7	Xfinity	N/A	\$85	10/12/2017	85	
8	Liberty Mutual Car Insurance	\$908	\$175	10/15/2017		
9	Liberty Mutual Life Insurance		\$83.61	10/9/2017		
10	Spotify		\$15.81	10/4/2017		
11	YMCA		\$84	10/10/2017	84	



CREATE A SPENDING PLAN

- **Assess your personal financial situation (needs, values, life situation)**
- **Set personal and financial goals**
- **Create a budget for fixed and variable expenses based on projected income.**
- **Monitor current spending (saving, investing) patterns**
- **Compare your budget to actual money spent.**
- **Review progress made and revise your budget as needed.**



AVOID NEGATIVE CASH FLOW

- **Negative Cash Flow:**
 - **Negative cash flow typically results in debt.**
 - **Part of being financially independent is spending less than you earn.**



REVIEW



- **Financial Independence** is achieved by reducing spending, earning more, saving more, and avoiding negative cash flow.
- A **budget** is a tool to assist one in tracking and monitoring income and expenses and avoiding negative cash flow.

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REMEMBER!!!

- Budgets can and should change from time to time.
- After one month of budgeting, re-evaluate it and make changes as necessary

