

NOAC 2024

CU Boulder

A stylized graphic of a mountain range with three peaks. The peaks are filled with a bright orange color and have a white outline. The mountain is set against a dark blue background. The text "SEEK NEW HEIGHTS" is written in white, uppercase letters across the base of the mountain.

SEEK NEW HEIGHTS

Managing Your Money as a Young Adult

Learning Objectives

1. Learn the basics of personal finance management.
2. Understand the importance of establishing a budget and tracking expenses.
3. Learn about strategies for maintaining financial balance.



What is Money Management?



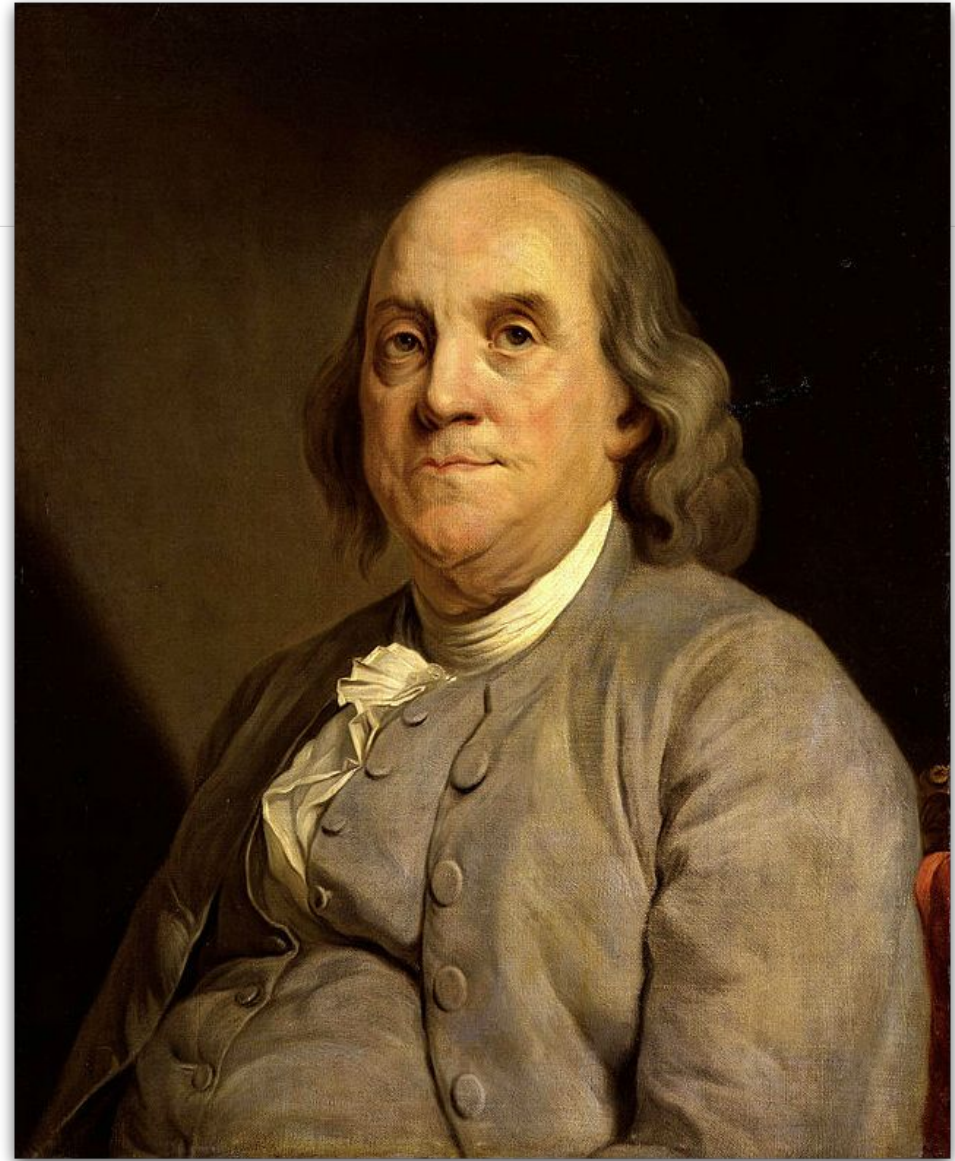


“Personal finance is only 20% head knowledge. It’s 80% behavior.”

- Dave Ramsey

“Beware of little expenses. A Small leak will sink a great ship.”

- Benjamin Franklin





“The way to get started is to quit talking and begin doing.”

- Walt Disney





9 Essential Rules of Personal Finance that You Should Follow



#1 – Don't Spend More Than You Make

Reasons you might overspend:

1. Following in your parents footsteps
2. Lack of a budget
3. Fail to prepare, prepare to fail



#2 – Get Out of the Debt Spiral and Stay Out



#3 – Creating an Emergency Fund is a Must!



3-4x your
monthly
income



#4 – Get Your Budget in Order

PERSONAL BUDGET

REVENUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
INCOME								
Wages	\$2,600.00	\$2,600.00	\$2,600.00					
Interest/dividends	\$649.00	\$313.00	\$664.00					
Miscellaneous	\$474.00	\$643.00	\$380.00					
Total	\$3,723.00	\$3,556.00	\$3,644.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXPENSES								
HOME								
Mortgage	\$750.00	\$750.00	\$750.00					
Insurance								
Repairs			\$75.00					
Services	\$35.00	\$35.00	\$35.00					
Utilities	\$165.00	\$165.00	\$165.00					
Total	\$950.00	\$950.00	\$1,025.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DAILY LIVING								
Groceries	\$191.00	\$152.00	\$145.00					
Child care	\$200.00	\$200.00	\$200.00					
Dry cleaning	\$20.00		\$20.00					
Dining out	\$55.00		\$56.00					
Housecleaning service	\$25.00	\$17.00	\$7.00					
Dog walker	\$10.00	\$5.00	\$7.00					
Total	\$501.00	\$374.00	\$435.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



#5 – The 70:20:10 Budgeting Rule

THE 70/20/10 RULE FOR BUDGETING

10%

Giving or Paying Off Debt

- Credit card debt
- Additional loan payment
- Donating to a cause

20%

Savings

- Retirement
- Emergency fund
- Sinking fund
- Investments

70%

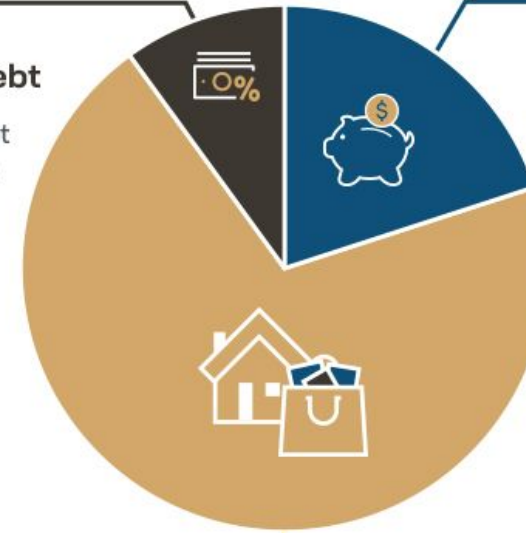
Expenses

Fixed Payments:

- Rent
- Mortgage
- Loans
- Car insurance

Variable Payments:

- Gas
- Groceries
- Clothing
- Personal Care



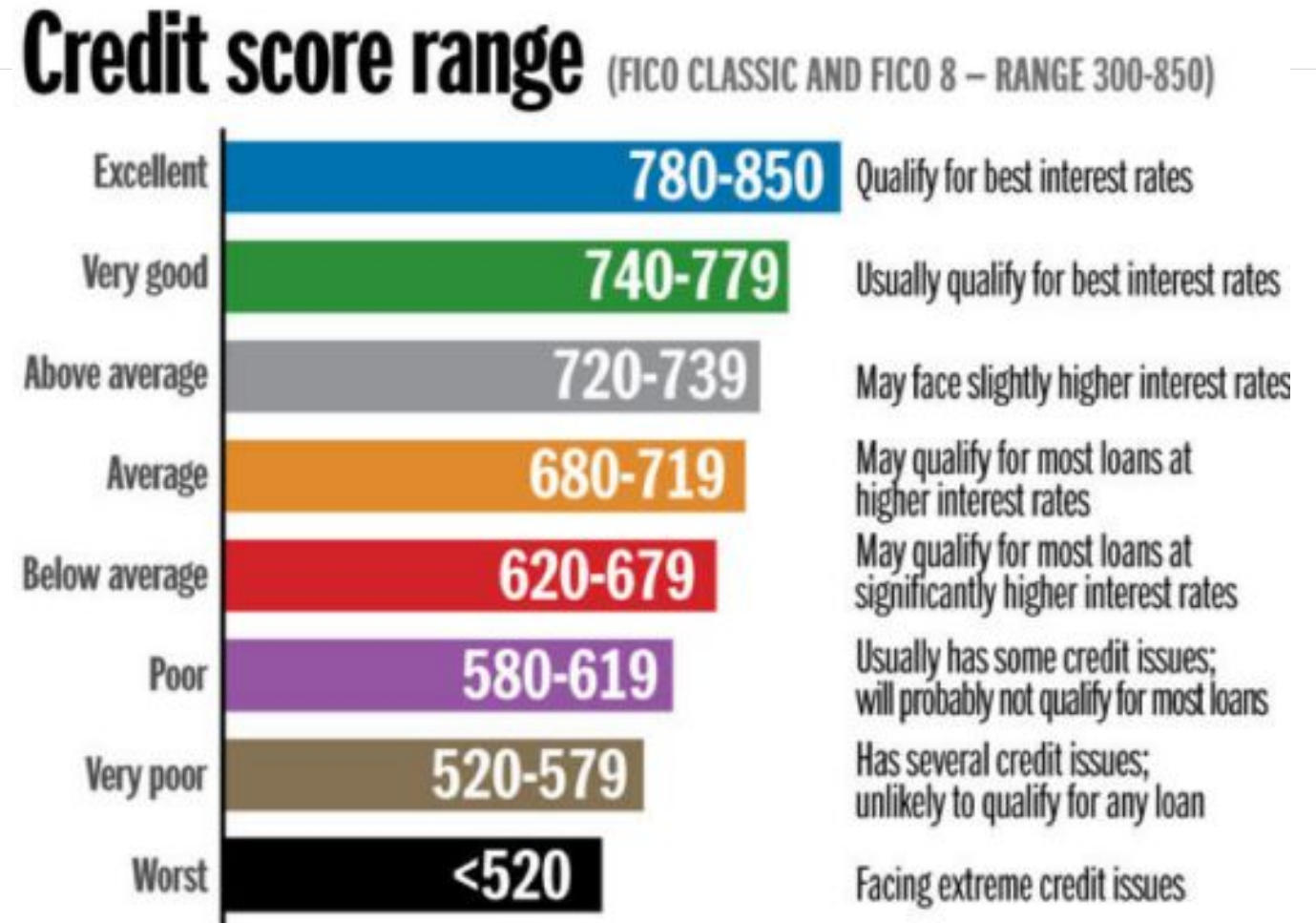
#6 – Always Do Your Research Before Making a Purchase



#7 – Separate Your Emotions from Your Personal Finance



#8 – Maintain or Work on Fixing Your Credit Score



SOURCE: Al Bingham

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#9 – Stick to a Meal Plan

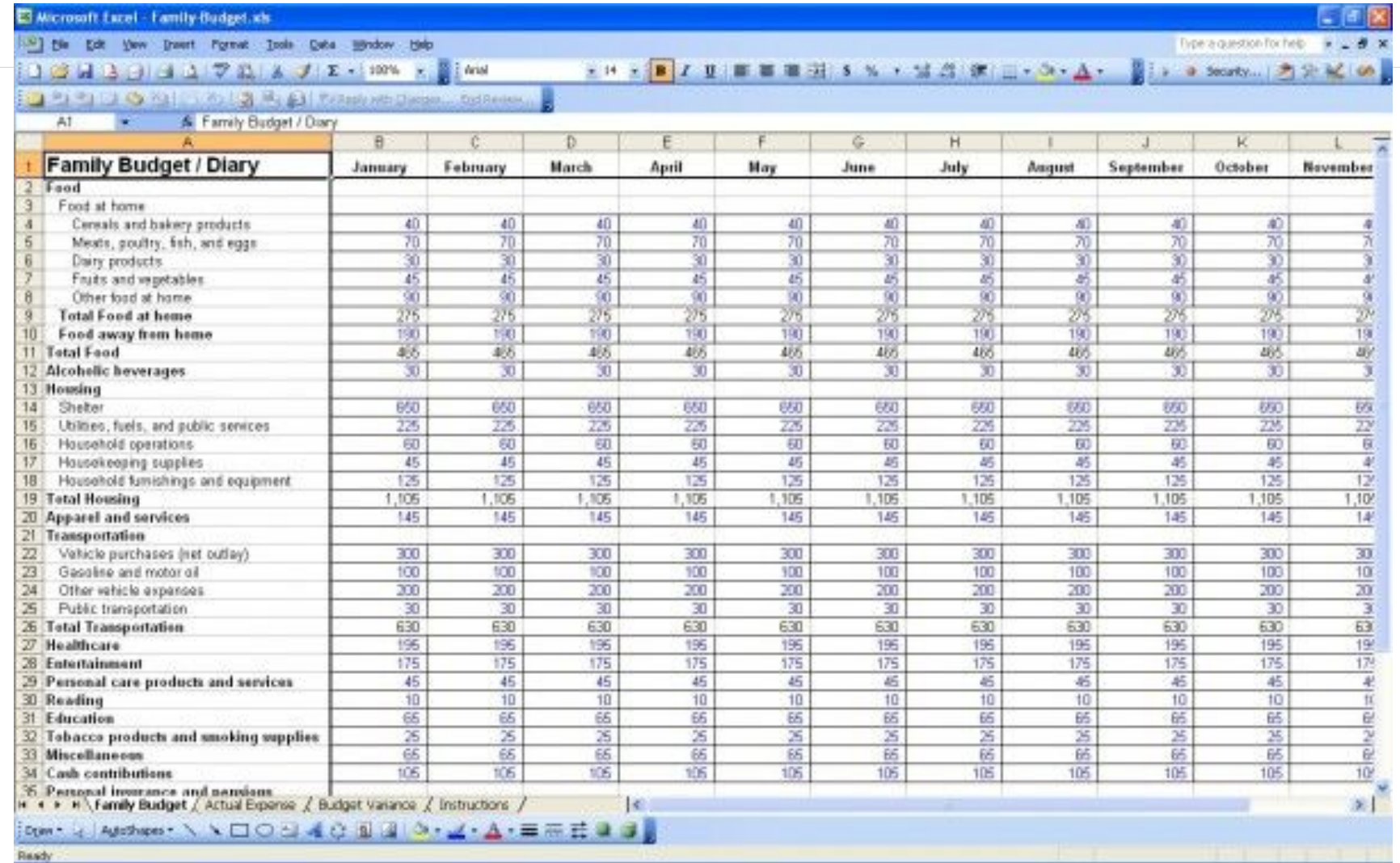




7 Money Management Tips to Improve Your Finances



#1 – Track Your Spending to Improve Your Finances



The screenshot displays a Microsoft Excel spreadsheet titled "Family Budget / Diary". The spreadsheet is organized into columns for each month of the year (January through November) and rows for various budget categories. The categories include Food, Housing, Transportation, Healthcare, Entertainment, Personal care products and services, Reading, Education, Tobacco products and smoking supplies, Miscellaneous, and Cash contributions. Each category has a corresponding total row. The values are entered in the cells, and the totals are calculated at the bottom of each column.

	January	February	March	April	May	June	July	August	September	October	November
Family Budget / Diary											
Food											
Food at home											
Cereals and bakery products	40	40	40	40	40	40	40	40	40	40	40
Meats, poultry, fish, and eggs	70	70	70	70	70	70	70	70	70	70	70
Dairy products	30	30	30	30	30	30	30	30	30	30	30
Fruits and vegetables	45	45	45	45	45	45	45	45	45	45	45
Other food at home	30	30	30	30	30	30	30	30	30	30	30
Total Food at home	275	275	275	275	275	275	275	275	275	275	275
Food away from home	190	190	190	190	190	190	190	190	190	190	190
Total Food	465	465	465	465	465	465	465	465	465	465	465
Alcoholic beverages	30	30	30	30	30	30	30	30	30	30	30
Housing											
Shelter	650	650	650	650	650	650	650	650	650	650	650
Utilities, fuels, and public services	225	225	225	225	225	225	225	225	225	225	225
Household operations	60	60	60	60	60	60	60	60	60	60	60
Housekeeping supplies	45	45	45	45	45	45	45	45	45	45	45
Household furnishings and equipment	125	125	125	125	125	125	125	125	125	125	125
Total Housing	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105
Apparel and services	145	145	145	145	145	145	145	145	145	145	145
Transportation											
Vehicle purchases (net outlay)	300	300	300	300	300	300	300	300	300	300	300
Gasoline and motor oil	100	100	100	100	100	100	100	100	100	100	100
Other vehicle expenses	200	200	200	200	200	200	200	200	200	200	200
Public transportation	30	30	30	30	30	30	30	30	30	30	30
Total Transportation	630	630	630	630	630	630	630	630	630	630	630
Healthcare	195	195	195	195	195	195	195	195	195	195	195
Entertainment	175	175	175	175	175	175	175	175	175	175	175
Personal care products and services	45	45	45	45	45	45	45	45	45	45	45
Reading	10	10	10	10	10	10	10	10	10	10	10
Education	65	65	65	65	65	65	65	65	65	65	65
Tobacco products and smoking supplies	25	25	25	25	25	25	25	25	25	25	25
Miscellaneous	65	65	65	65	65	65	65	65	65	65	65
Cash contributions	105	105	105	105	105	105	105	105	105	105	105
Personal insurance and pensions											



#2 - Create a Realistic Monthly Budget

Monthly Budget				
Month:				
Income:	\$2,000.00			
Expense	Budget	%	Actual Spent	%
Rent/Mortgage	\$0.00	0.00%		0.00%
Home and Car Insurance	\$0.00	0.00%		0.00%
Health Insurance	\$0.00	0.00%		0.00%
Retirement	\$0.00	0.00%		0.00%
Cable/Internet	\$0.00	0.00%		0.00%
Cell Phone	\$0.00	0.00%		0.00%
Utilities	\$0.00	0.00%		0.00%
Car Gas	\$0.00	0.00%		0.00%
Student Loans	\$0.00	0.00%		0.00%
Emergency Savings	\$0.00	0.00%		0.00%
Groceries Week 1	\$0.00	0.00%		0.00%
Groceries Week 2	\$0.00	0.00%		0.00%
Groceries Week 3	\$0.00	0.00%		0.00%
Groceries Week 4	\$0.00	0.00%		0.00%
Entertainment	\$0.00	0.00%		0.00%
Misc Expenses	\$0.00	0.00%		0.00%
Total:	\$0.00	0.00%	\$0.00	0.00%



#3 – Build Up Your Savings – Even if it Takes Time



#4 – Pay Your Bills on Time Every Month



#5 – Cut Back on Recurring Charges



#6 – Save Up Cash to Afford Big Purchases



#7 – Start an Investment Strategy





How to Put Money Management in Action at a Young Age



Setup Multiple Bank Accounts

Organize your money in a safe place!

- Operating Fund – pay all your bills from this account
- Emergency Fund – remember to save 3-4x your monthly income
- Savings Fund – you can use the Emergency Fund for this
- Notebook Fund – play money (clothes, vacations, entertainment, and gifts)



Excel Spreadsheet (Google Sheets)

Bill	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Yearly Total	Amount/month
OG&E	\$32.82	\$56.20	\$154.18	\$111.50	\$68.99	\$201.34	\$220.90	\$173.11	\$193.50	\$182.54	\$110.53	\$78.96	\$1,584.57	\$132.05
ONG	\$302.80	\$330.73	\$278.11	\$121.69	\$141.71	\$42.81	\$31.91	\$23.66	\$21.22	\$20.50	\$51.74	\$145.12	\$1,512.00	\$126.00
water	\$60.48	\$42.28	\$42.28	\$61.52	\$63.50	\$75.38	\$73.70	\$67.76	\$74.20	\$81.20	\$86.89	\$59.35	\$788.54	\$65.71
TV/Internet	\$150.41	\$150.35	\$154.21	\$153.73	\$153.73	\$153.73	\$157.87	\$153.96	\$157.84	\$157.82	\$154.05	\$157.65	\$1,855.35	\$154.61
Credit card payments		\$5,000.00				\$300.00		\$300.00	\$2,500.00	\$1,000.00	\$1,000.00		\$10,100.00	\$841.67
Mortgage	\$2,232.61	\$2,245.61	\$2,232.61	\$2,232.61	\$2,232.61	\$1,884.01	\$1,884.01	\$1,884.01	\$1,884.01	\$1,884.01	\$1,884.01	\$1,884.01	\$24,364.12	\$2,030.34
First Commercial	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$678.74	\$8,144.88	\$678.74
Day care for kids	\$977.00	\$1,223.03	\$977.00	\$977.00	\$977.00	\$917.00	\$917.00	\$878.50	\$564.00	\$564.00	\$640.00	\$832.00	\$10,443.53	\$870.29
USAA auto loan	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$232.16	\$2,785.92	\$232.16
Health Insurance	\$125.39	\$125.39	\$125.39	\$133.40	\$133.40	\$133.40	\$133.40	\$133.40	\$133.40	\$133.40	\$133.40	\$133.40	\$1,576.77	\$131.40
Fed Student loan	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$269.95	\$3,239.40	\$269.95
Student Loans	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$70.52	\$846.24	\$70.52
Doctor bills			\$230.16		\$27.40								\$257.56	\$21.46
Total:	\$5,132.88	\$10,424.96	\$5,445.31	\$5,042.82	\$5,049.71	\$4,959.04	\$4,670.16	\$4,865.77	\$6,779.54	\$5,274.84	\$5,311.99	\$4,541.86		



Takeaway Challenge

Write down 3 key takeaways
that will enable you to
Seek New Heights



Thank you!



Managing Your Money as a Young Adult



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