

Financial literacy

- Is the ability to understand how money works.

1. Financial Planning/Goals setting and valuing - Setting short-term, mid-term and long-term goals financial goals is important step becoming financially secured..

Here are Goals from near-term to distant, that financial experts recommend setting to help you learn to live comfortably within your means.

Short-term financial goals

These are your immediate expenses. Although timelines vary, these are the things you'll spend money on generally within a few months or year.

For example:

- Emergency fund
- Payment toward rent, insurance, or student loans.
- Personal goods
- Travel
- Minor repairs
- School expenses
- Transportation expenses

Mid-Term goals

- There is often overlap between the two categories that can make things fuzzy. Medium or Mid-term goals fall between short and long-term goals and tend to take a few years to achieve.

For example:

- Buying a car
- Saving for a down payment.
- Paying off debt.

Long-Term financial goals

- Long-term financial goals are usually big picture costs. These goals may take several years or even decades to reach. Your distant goals typically involve more money and regular attention than short-term goals.

For example:

- Retirement fund
- Paying off a mortgage
- Starting a business
- Saving for child's college tuition

BUDGETING

- Is a financial planning tool that allows you to plan how much you will spend or save each month. It also allows you to track your spending habits.

HOW TO MAKE A BUDGET IN FIVE (5) SIMPLE STEPS

1. **Calculate your net Income** - This income may be come from scholarship, part-time job, and monthly allowance from parents. It creates the foundation of how much you can afford to spend.

2. **Create a List of Monthly Expenses**

- It is a list of your monthly expenses as follows:
 - School supplies
 - Rent or board
 - Groceries
 - Food
 - Transportation
 - Internet or data load