Managing Money

SAFA Financial Literacy Lesson

What is money management?

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It is financial planning to maximize how you use your income. It is the usage of many financial concepts to allow for your financial wellbeing and an understanding of your finances. It includes many previously discussed topics, and this presentation will serve as review for them.

Part 1: Budgeting

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As we already described last presentation, it is of utmost importance to create a budget based on your income, goals, and debts. By creating a budget, you can be financially secure and be able to achieve what you want to achieve. Make sure to improve this budget over time by tracking your spending throughout the months and evaluating changing aspects of your financial situation.

Part 2: Saving Money

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There are many crucial things you must save money for, like retirement and an emergency fund in the case that anything goes wrong. By saving, you can be financially secure even if major obstacles are thrown at you, and you can achieve major financial goals much more easily.

Part 3: Debt Management

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In order to buy a house or pay for your college education, you might have loans that you will need to pay off over time, and if you do not pay off these debts, your credit score will be harmed. It is important to reduce debt as soon as you can, as interest compounds the necessary money that you need to pay back over time. By effectively managing debt, you can reduce levels of stress that were present in your financially insecure situation. Make sure to deal with priority debts first, as they can lead to imprisonment or loss of the ability to access a service, and then focus on other debts.

Part 4: Investment

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By investing your money, money itself will grow for you, even outpacing inflation. Informed decisions regarding investments can allow for you to financially succeed, and you can become more wealthy. Many of the affluent today use investments to increase their wealth, and it can help you reach many of your goals more easily.

Videotime

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