



# ***CedisPay Budget guidelines and tips***



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# *How to Make a* **BUDGET**

*one*  
1

**List your income.**

*two*  
2

**List your expenses.**

*three*  
3

**Subtract expenses  
from income.**

*four*  
4

**Track your expenses  
(all month long).**

*five*  
5

**Make a new budget  
before the month  
begins.**



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# The 50/30/20 Rule: A Simple Guide to Budgeting

## **INTRODUCTION**

*Take Control of Your Finances*

The 50/30/20 rule is a simple and effective way to allocate your income towards necessary expenses, discretionary spending, and saving.

### **50% NECESSARY EXPENSES**

*Essential Spending*

50% of your income goes towards necessary expenses, including:

- Housing (rent/mortgage, utilities)
- Food and groceries
- Transportation (car loan/gas/insurance)
- Minimum payments on debts
- Insurance (health, life, disability)

## **CONCLUSION**

*Simplify Your Budget Today!*

Start applying the 50/30/20 rule to take control of your finances and achieve financial peace.

### **30% DISCRETIONARY SPENDING**

*Lifestyle Spending*

30% of your income goes towards discretionary spending, including:

- Entertainment (dining out, movies, hobbies)
- Personal spending (clothing, accessories, gadgets)
- Travel and leisure activities
- Upgrades (latest phone, car, etc.)

### **20% SAVING AND DEBT REPAYMENT**

*Building a Secure Future*

20% of your income goes towards saving and debt repayment, including:

- Emergency fund
- Retirement savings
- Paying off high-interest debts



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# Tracking Your Spending: A Vital Step in Your Budgeting Journey



## Why Track Your Expenses?

- Gain insight into where your money is going
- Spot spending habits and opportunities for savings
- Make informed financial choices

## Methods for Tracking Expenses

### 1. Manual Method

- *Write down every transaction in a notebook or notes app*
- **Pros:** Detailed records, heightened awareness
- **Cons:** Time-consuming, requires regular effort

### 2. Mobile Money Statements

- *Download and categorize Mobile Money transactions weekly*
- **Pros:** Convenient, accurate
- **Cons:** Limited to Mobile Money transactions

### 3. Bank Account Statements

- *Download and review your bank statements*
- **Pros:** Comprehensive view, helps identify trends
- **Cons:** May not include Mobile Money or cash transactions

### 4. Combined Method

- *Use both Mobile Money and bank statements*
- **Pros:** Complete overview, thorough categorization
- **Cons:** Requires managing multiple data sources

# Budgeting for Emergencies: Ensuring Financial Stability in Unpredictable Times



## Why an Emergency Fund Matters

- Alleviates Financial Stress
- Prevents Debt Accumulation
- Ensures Financial Stability

## How Much Should Your Emergency Fund Be?

- Calculate Your Essential Expenses
- Aim for 3-6 Months' Worth of Living Expenses

## Steps to Build and Maintain Your Emergency Fund

1. Set a Savings Goal
2. Start Small
3. Automate Your Savings
4. Cut Back on Non-Essentials
5. Use Windfalls Wisely

## Tips for Managing Unexpected Expenses

1. Prioritize Your Expenses
2. Negotiate Bills
3. Use Your Fund Judiciously
4. Replenish Your Fund

### Remember:

- An emergency fund helps you handle life's surprises with confidence
- Maintain financial stability and peace of mind
- Stay dedicated to your financial journey

# Tracking Your Progress: The Final Step in Your Budgeting Journey



## Recap of Our Budgeting Journey

1. Overview of Budgeting Process and Using the CedisPay Budgeting Spreadsheet
2. Tracking Your Expenses
3. Prioritizing Your Expenses
4. Creating a Budget
5. Tracking Your Progress

## Why Tracking Your Progress is Crucial

- Maintain control over your finances
- Detect potential issues early on
- Adjust your budget to keep it realistic and effective

## Steps to Effectively Track Your Progress

### 1. Regularly Monitor Income and Expenses

- Utilize the CedisPay Budget Template to record income and expenses
- Update frequently to maintain an accurate financial overview

### 2. Stay Within Your Budget

- Review your spending regularly
- Identify spending patterns and adjust habits accordingly
- Avoid accumulating debt and stay on track

### 3. Make Adjustments as Needed

- Review your budget on a monthly basis
- Identify any variances and update your projections
- Adjust categories or spending limits as needed

## Conclusion

- Tracking your progress is essential for maintaining financial control and achieving your goals
- Use the CedisPay Budget Template to monitor your income and expenses, stay within your budget, and make necessary adjustments
- Subscribe to our channel, follow us on social media, and visit our website for more resources and support

# Budgeting for the Long Term: Setting Goals and Creating a Plan with CedisPay



## 1. Define Your Long-Term Goals

- Set specific, measurable goals for clarity
- Examples: buying a home, retirement, education, emergency fund, starting a business

## 2. Break Down Your Goals

- Divide goals into achievable steps
- Calculate the monthly and annual savings required
- Example: saving GHC 100,000 over 5 years for a home

## 3. Create a Long-Term Budget Plan

- Allocate income based on goal priorities and timelines
- Budget structure: Essentials (50%), Discretionary Spending (30%), Savings/Debt Repayment (20%)
- Set aside a fixed monthly amount for long-term goals

## 4. Automate Your Savings

- Arrange automatic transfers from checking to savings accounts
- Schedule transfers immediately after income deposits
- Reduce spending temptation and ensure consistent savings progress

## 5. Regularly Review and Adjust Your Plan

- Monthly: Monitor progress and adjust the budget as needed
- Annually: Reevaluate long-term goals and savings strategies
- Adjust for unexpected expenses or increase savings contributions

## 6. Stay Committed and Motivated

- Celebrate milestones to stay motivated
- Acknowledge achievements and use them to drive continued progress

## 7. Seek Professional Advice

- If goal-setting or achievement proves difficult, consult a financial planner
- Gain personalized strategies and optimize your financial plan

By following these steps, you can effectively manage your long-term finances and achieve your dreams with CedisPay.

# Budget Habits Tips for Improved Financial Wellbeing

## **Track Your Expenses:**

- Keep a record of every expense.
- Use a notebook, spreadsheet, or budgeting app.

## **Create a Budget:**

- Establish a monthly budget based on income and expenses.
- Allocate funds for necessities, savings, and discretionary spending.

## **Set Realistic Goals:**

- Identify short-term and long-term financial goals.
- Break goals into achievable milestones.

## **Prioritize Saving:**

- Save a portion of income each month.
- Automate savings with regular transfers.

## **Limit Impulse Spending:**

- Practice mindful spending.
- Pause before making non-essential purchases.

## **Review and Adjust:**

- Regularly review budget to track progress.
- Adjust budget as needed.

## **Plan for Emergencies:**

- Build an emergency fund.
- Aim for three to six months' worth of expenses.

## **Avoid Debt:**

- Minimize debt usage.
- Pay off credit card balances in full each month.

## **Seek Financial Education:**

- Educate yourself about personal finance topics.
- Utilize online resources or workshops.

## **Celebrate Progress:**

- Recognize and celebrate financial achievements.
- Appreciate the positive impact of budgeting habits.



# Take Control of Your Finances: Budgeting Tips

## **Section 1:** Track Your Spending

- Monitor your income and expenses
- Identify areas for improvement
- Use a budgeting app or spreadsheet

## **Section 2:** Create a Budget Plan

- Set financial goals (short-term and long-term)
- Categorize expenses (housing, food, transportation, etc.)
- Assign realistic amounts for each category

## **Section 3:** Manage Your Money

- Prioritize needs over wants
- Use the 50/30/20 rule (50% for necessities, 30% for discretionary spending, 20% for saving)
- Avoid impulse purchases

## **Section 4:** Save and Invest

- Set aside emergency funds
- Consider retirement accounts
- Explore low-risk investment options

## **Section 5:** Stay on Track

- Regularly review and adjust your budget
- Avoid unnecessary subscriptions and fees
- Stay motivated and celebrate milestones

## **Additional Tips:**

- Use cashback and rewards credit cards wisely
- Consider used or refurbished items instead of new
- Build an emergency fund to avoid debt

