



Handling Finances

Financial literacy is essential for every adult. As Stacey Abrams said, “Financial independence gives us the power to decide our futures and liberate our conception of what’s possible.”

The pathway to financial literacy requires that you understand basic concepts like balancing your accounts, budgeting, the actual costs of buying on credit, and the value of retirement and investment accounts.

Which money matters should be on your radar, and how can you work to avoid overspending and meet your financial goals?

Money Matters

No matter how much money you make, you only have a finite amount to spend and save, which means you must carefully consider where every penny goes. You may have your heart set on a Louis Vuitton tote, but it’s probably best to pay your rent or mortgage first. You might want to put something into your 401(k) as well, since you’ll likely want to retire at some point.

It’s not that you can’t spend your money on the things you want — you just don’t want to dig yourself into a pit of debt purchasing stuff you really don’t need, especially considering what you’ll end up paying in the long run once you factor in interest.

When it comes to managing your money, the best place to start is creating a budget. This can be a relatively simple breakdown of your income and expenses, or you could increase the complexity — maybe by including the interest you pay for various debts, for example — to get a clearer snapshot of where your money is going.

If you have major goals like real estate investing, starting a business, or building generational wealth, it’s best to get your finances in order now. The sooner you start saving and investing, the more that compound interest can go to work, growing your nest egg.

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For the following financial buckets, list how much you're currently putting in monthly and how much you'd like to put in. Then, consider whether there are areas where you could cut back (discretionary spending like dining out, entertainment, clothing, travel, etc.) and reallocate to under-funded buckets.

Financial Bucket	Monthly Payment or Contribution	Amount You'd Like to Pay or Contribute	Where You Can Cut Back
1. Education/ Student Loan Debt			
2. Credit Card Debt			
3. Savings			
4. Emergency Fund			
5. Retirement Accounts			
6. Investments			
7. Life Insurance			