

FINANCIAL LITERACY GUIDE FOR YOUNG ADULTS

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BUDGETING BASICS

A budget is your financial roadmap. It helps you track income and expenses.

The 50/30/20 Rule:

- 50% for needs (rent, food, transport)
- 30% for wants (entertainment, dining out)
- 20% for savings and debt payments

Creating Your Budget:

1. List all sources of income
2. Track all expenses for a month
3. Categorize expenses (fixed vs variable)
4. Set spending limits for each category
5. Review and adjust monthly

Sample Monthly Budget (R15,000 income):

Needs (R7,500):

- Rent: R4,000
- Food: R2,000
- Transport: R1,000
- Phone: R500

Wants (R4,500):

- Entertainment: R1,500
- Clothing: R1,000
- Eating out: R2,000

Savings (R3,000):

- Emergency fund: R1,500
- Retirement: R1,000
- Goals: R500

SAVING STRATEGIES

Pay Yourself First: