

Money Coach Week 4: Expense Tracking & Budgeting

Vocabulary

Know the Lingo—Glossary for Money Moves That Make Sense.

Budget Mindset

- **“Money doesn’t grow on trees.”** You need a *plan*, not just good intentions.
- **“If you can track it, you can control it.”** Knowing where your money goes it's powerful.
- **“Your broke friend is not a financial advisor.”** Budget based on your own goals, not your peers.

Core Budget Terms

- Budget
Plan for how you’ll spend your money before you actually spend it.
It's like telling your money where to go instead of wondering where it went.
- Income
All the money you earn — from jobs, side hustles, gifts, or allowances.
- Net Income
What you keep after taxes and deductions. It’s what you actually get to use. *(Take-home pay)*
- Fixed Expenses
Costs that stay the same every month *(Ex: rent, subscriptions, or car payments)*.
- Variable Expenses
Costs that can change month to month *(Ex: food, gas, clothes, or fun money)*.
- Discretionary Spending
Non-essential stuff you choose to spend money on — like eating out or concert tickets.
- Needs vs. Wants
Needs = must-haves *(Ex: food, housing, utilities)*
Wants = nice-to-haves *(Ex: Starbucks, Jordans, Spotify Premium)*

Budgeting Tools & Tips

- Zero-Based Budget
Every dollar gets a job. $\text{Income} - \text{Expenses} = \0 . No money left “wandering.”
Popular with apps like YNAB (You Need A Budget).
- 50/30/20 Rule
Divide your income into percentages ($\$500/\text{month}$ multiplied by $0.5 = \$250$)
Ex: 50% = Needs, 30% = Wants, 20% = Savings or debt payoff.

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- Cash Envelope System
You split cash into labeled envelopes (*Ex: food, gas, fun*). *When it's gone, it's gone!*
 - Budgeting App
Digital tools to help you track income, expenses, and goals. (*Ex: Mint, Rocket Money, Copilot, YNAB*)
 - Direct Deposit
Automatically puts your paycheck into your bank account.
 - Emergency Fund
Savings for surprise costs like a flat tire, job loss, or broken phone screen.
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Expense Tracking Vocab

- Track Your Spending
Keep a log (paper, app, spreadsheet) of every expense — even \$1 ones.
 - Receipts
Proof of what you spent — can be digital or paper. Use for reconciling your expenses.
 - Bank Statement
Monthly summary of your account's income and outgo. Learn to read it like a boss.
 - Transaction
Anytime money goes in or out of your account (*Ex: purchase, deposit, etc.*).
 - Overspending
Spending more than you planned. Can cause overdrafts, debt, or no savings.
 - Impulse Buying
Buying something on the spot with no plan or budget. *Easy, dangerous.*
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Safety & Smarts

- Fraud Alert
A warning you can put on your credit report if someone's misusing your info.
- Identity Theft
When someone steals your personal information to buy stuff or open accounts.