

LET'S TALK ABOUT

FINANCE BASICS

UNDERSTAND YOUR MONEY TO
ALIGN WITH YOUR LIFE GOALS

BY STACEY BUSBY

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ABOUT THE AUTHOR



Stacey Busby

Hello, my name is Stacey Busby. I am a finance executive with holistic skills encompassing accounting, tax, and financial planning. I have a proven track record of managing finance functions, which include tax, reporting federal grant budget management, budgeting, forecasting, and long-range planning. While managing administration functions such as Human Capital and Benefits Management, I successfully develop and deliver complex financial initiatives supporting business operations, profitability, and growth.

Being a financial coach is both a privilege and a responsibility. By leveraging your expertise and passion for helping others, you can make a meaningful difference in my clients' lives and empower them to achieve lasting financial wellness and success.

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INTRODUCTION

YOU CAN TAKE CONTROL OF YOUR FINANCES TODAY AND CREATE A LIFE OF ABUNDANCE AND POSSIBILITY – BECAUSE WHEN YOU UNDERSTAND YOUR MONEY, YOU CAN ACHIEVE YOUR DREAMS

Congratulations on taking the first step towards financial empowerment! By understanding your money and taking control of your finances, you have the power to create a life of abundance, fulfillment, and possibility. Remember, your financial journey is unique to you, and with dedication, perseverance, and a clear vision for the future, you can achieve your dreams and live the life you desire.

“Financial Empowerment” may take on different meanings for individuals. Whether you are a twenty something just starting out in your career learning how to manage your finances, a person providing for a family investing in insurance policies and a employer retirement plan, or a retiree who made smart investments, but still is prudent in managing your finances. I just noted three different stages of life, but with one common thread, financial empowerment. Each scenario illustrates a different aspect of financial empowerment. Financial literacy, financial security and financial independence. The essence of financial empowerment isn’t about how much money you have. It’s about the ability to managing your finances effectively. It’s about making informed decisions that align with your life goals. It’s about taking control of your financial future whether you are just starting your career, taking care of your family or enjoying your retirement. To recap, financial empowerment is a multi faceted concept that take on different meanings for individuals. Remember achieving financial empowerment isn’t a one size fits all approach. It’s a approach that involves understanding, planning and most of all, action.

CHAPTER I

THE POWER OF FINANCIAL AWARENESS

If I Knew Then What I Know Now

Before getting married to my current spouse 26 years ago, I was a single mother raising 3 kids. My mindset back then was in order to manage my money, pay my bills on time and ensure that I could feed my kids was to work a full time job, work as much overtime as I could and on occasion work an additional part time job.

The journey of personal growth and financial awareness is a lifelong process of learning, adapting, and evolving. By reflecting on my experience as a single mother and embracing the lessons learned along the way, I have gained valuable insights into the transformative power of financial awareness in shaping my perspective and decision-making. I equate it to “on the job learning”.

The Benefits of Financial Literacy

Financial literacy is a fundamental skill that empowers you to make informed decisions about your money, leading to improved financial well-being and long-term security. There are various benefits of financial literacy, including its impact on personal finances, economic stability, and societal advancement.

With financial literacy, we can create and stick to a budget that aligns with our financial goals and priorities. By tracking our income and expenses, we can identify areas where we may be overspending and make adjustments accordingly. Financial literacy helps us understand the different types of debt and how to manage them responsibly. By understanding interest rates, payment terms, and debt payoff strategies, we can work towards reducing and eventually eliminating debt, freeing up more resources for savings and investments.

Ultimately, my goal for this e-book is to support you in your journey towards financial well-being by sharing my knowledge and offering practical advice to help in understanding the basics on budgeting so you can make financial decisions that you find what works for you.

Creating and sticking to a budget is the first foundational step in gaining financial literacy and achieving financial stability. I will highlight the importance of budgeting as a tool for controlling spending, saving for emergencies, and working towards financial goals.

Steps That Outline for Creating a Budget Plan

1. Note Your Monthly Income:

Start by calculating your total monthly income from all sources, including salaries, allowances, and any additional income such as side gigs or investments.

2. Track Your Spending:

Keep track of your expenses over a month to understand where your money is going.

Categorize expenses into fixed (e.g., rent, utilities, loan payments) and variable (e.g., groceries, dining out, entertainment).

3. Include All Expenses in Your Budget:

List all your fixed expenses in your budget plan, ensuring they are covered each month.

Allocate funds for variable expenses based on your spending patterns and priorities.

4. Set Financial Goals:

Determine your short-term and long-term financial goals, such as building an emergency fund, paying off debt, or saving for retirement.

Assign specific amounts to each goal to incorporate them into your budget plan.

5. Finalize Your Budget Plan:

Review your income and expenses to ensure that your budget is balanced and realistic.

Make adjustments as needed to accommodate your financial goals and priorities.

6. Follow your Budget Plan:

Commit to sticking to your budget plan by tracking your spending and making conscious choices about your expenditures.

Regularly review your budget to monitor your progress towards your financial goals and make any necessary adjustments.

By following these steps and consistently adhering to your budget plan, you can gain control over your finances, avoid overspending, and work towards achieving financial balance and stability. Additionally, having a clear understanding of your income and expenses allows you to make informed decisions about how to allocate your resources effectively, ultimately leading to greater financial literacy and success.

CHAPTER II

MONEY MASTERY: THE KEY TO SUCCESS

Money mastery is a fundamental skill that will empower you to achieve your financial goals and attain success in various aspects of your life. By understanding the principles of money mastery and implementing effective strategies, you can take control of their finances, build wealth, and create a more secure future.

How Avoiding Money Conversations Can Negatively Impact Your Finances

Avoiding money conversations can lead to a lack of clarity about your financial situation. Without open communication about income, expenses, debts, and financial goals, you may not have a clear understanding of where your money is going or how to effectively manage it.

Avoiding money conversations can result in missed opportunities to improve your financial situation. For example, you may miss out on potential ways to increase your income, reduce expenses, or invest wisely.

If you are not discussing these topics with your partner, family members or even overlooking your finances on a regular basis. It is best to be honest with yourself about money it will definitely reduce your stress levels.

It's time to talk about your finances. If you ever thought you had more money in your checking account or even on that credit card, but when you went to purchase an item, your card was declined because you didn't factor in that purchase you set up using "After Pay".

Practical Strategies for Overcoming Money-Related Guilt and Shame

- Recognize where these feelings stem from. They can be rooted in societal expectations, comparisons with others, or childhood experiences with money. Acknowledging the source enables you to address them more effectively.
- Everyone makes mistakes, it's the normal part of the learning process. What you learn from them will help you move forward.
- Treat yourself with kindness and compassion, especially when it comes to money matters. I know it can be hard sometimes but avoid harsh self-criticism and negative self-talk.
- I find myself saying what's the solution rather than what's the problem in order to correct money matters.

By understanding and addressing financial shame, you can release guilt around past money decisions and take proactive steps towards improving your financial well-being. Remember that your worth is not determined by your financial status, nor is your zip code. It is never too late to make positive changes and create more secure future for yourself.

CHAPTER III

UNDERSTANDING YOUR MONEY MINDSET: EXPLORING YOUR RELATIONSHIP WITH MONEY

By understanding your own money mindset and addressing the underlying emotional issues driving your spending habits, you can begin to develop healthier coping mechanisms and financial habits. This process takes time and self-reflection, but with persistence and commitment, you can break free from the cycle of overspending and achieve greater financial stability and well-being.

How Your Upbringing Shapes Your Financial Attitudes and Beliefs

It's common for our upbringing to deeply influence our attitudes and behaviors towards money, even if we may not be fully aware of it at the time. My experience of not being aware of my parents' financial struggles as a child, and later learning about them as an adult, is a testament to how parents often shield their children from financial stress and worry. Similarly, my ability to manage my own financial challenges without burdening my children demonstrates resilience and strength. I used to say, "I'm making a dollar out of 15 cents". Really it was about thinking outside the box and negotiating my bills to lower them where it was needed.

Today my parents have retired comfortably. They are from that generation of saving and investing in company retirement plans as well as credit union savings accounts. To know they are living their best life right now makes me smile. We all have the ability of living our best life now!



How to figure out how your upbringing may have shaped your financial attitude



Reflect on your childhood experiences: Think back to your earliest memories of money and how it was talked about in your household. Did your parents discuss financial matters openly, or was it considered a taboo topic? Did your family prioritize saving or spending?



Consider the role models in your life: Identify the people in your life who influenced your financial beliefs and behaviors. Was it your parents, grandparents, or other relatives? What attitudes did they have towards money, and how did they handle financial decisions?



Analyze your family's financial situation: Look at your family's financial situation growing up. Did you experience financial hardships or abundance? How did your family cope with these situations? Did they have a budget or financial plan?



Examine your education: Evaluate what you learned about money in school, and how this may have impacted your financial beliefs. Did you receive formal education on financial literacy or did you have to learn through experience? Did you have access to financial resources, such as books or seminars?



Identify your current habits: Take a closer look at your current financial habits and attitudes towards money. Are there patterns or beliefs that you've carried over from your upbringing? Are there any financial behaviours you'd like to change?



Try to seek out outside perspectives: Talk to other people, such as friends and relatives about their own experiences with money and compare them to your own. You can also seek some professional guidance or counselling if you need help addressing any negative beliefs or behaviors you've identified.

CHAPTER IV

MAKING MONEY WORK FOR YOU: MAKE YOUR BUDGET A BLUEPRINT FOR FINANCIAL FREEDOM

There is a common misconception that you must have a lot of money to be good at managing money.

Indeed, that is a common misconception, but it's not accurate. Good money management is not necessarily about having a lot of money; it's about effectively managing the resources you do have, regardless of the amount. Here's why:

- 1. Mindset Matters:** Money Management is more about mindset and behavior than the actual amount of money you possess. It involves cultivating habits such as budgeting, saving, investing wisely, and avoiding debt. These are skills that anyone can develop regardless of their income level.
- 2. Living Within Your Means:** I am sure we have all heard this phrase some point in our lives. Effective money management is about living within your means, regardless of whether you have a little or a lot of money. It's about prioritizing your spending, making informed financial decisions, and ensuring that your expenses do not exceed your income.
- 3. Financial Goals:** Money management is goal oriented. It's about setting financial goals and working towards achieving them, whether it's paying off debt, saving for a down payment on a home, or planning for retirement. The principles of budgeting and saving apply regardless of the size of your goals.
- 4. Resourcefulness:** People with limited financial resources often develop creative strategies for managing their money effectively. They may find ways to stretch their dollars, seek out bargains, or make do with what they have. Resourcefulness and creativity can go a long way in managing money well.
- 5. Financial Education:** Money management is also about knowledge and education. Learning about personal finance, investing, and budgeting principles can empower individuals to make better financial decisions and manage their money more effectively, regardless of their income level.
- 6. Small Steps Add Up:** Even small actions taken consistently over time can lead to significant improvements in financial wellbeing. Whether it's setting aside a small amount for savings each month or paying off debt incrementally, every step in the right direction counts.

Ultimately, good money management is a skill that can be learned and practiced by anyone, regardless of their financial situation.

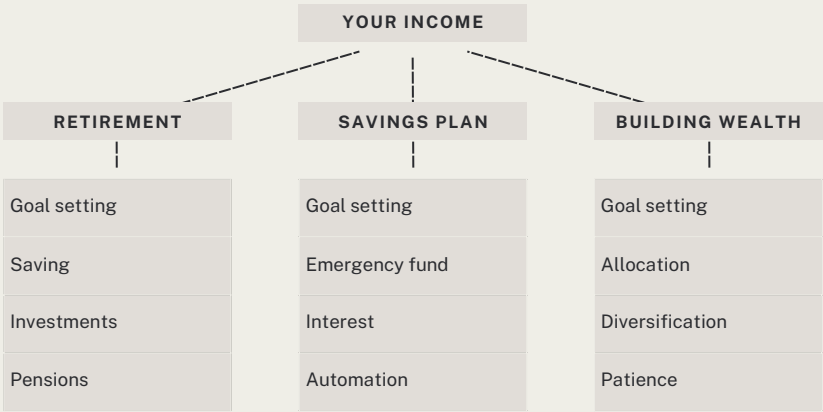
It's about making thoughtful, intentional choices with your money, setting achievable goals, and taking action to improve your financial health over time.

By focusing on sound financial principles and developing healthy money habits, anyone can become proficient at managing their money effectively, regardless of how much they have to start with.

CHAPTER 4

Individual goals for the income an individual receive can vary widely depending on personal circumstances, values, and priorities. Some common goals people may have for their income are included in the depiction below.

These are just a few examples of the diverse range of goals individuals may have for their income. Ultimately, financial goals are highly individualized and can evolve over time based on changing circumstances, values, and life priorities. It's important for individuals to identify their own goals, create a financial plan to achieve them, and regularly review and adjust their plan as needed to stay on track towards financial success.



We can all relate to one or more goals above throughout our financial journey.

CONCLUSION

THIS IS THE BEGINNING OF SOMETHING GOOD.

First, think of money as a tool, a means to an end, not the end itself. The end in this context is your life goals. Whether it's buying a house, retirement or creating a rainy-day fund, your money should serve these goals.

How do you align your money with your goals? You start by creating a budget. It's not about restriction, it's about liberation. It gives you control over your money and with control comes freedom.

You know debt is like fire. If controlled it can cook your food, but out of control it can burn your house down. Good debt is an investment that will grow in value and generate long-term income like a mortgage or a student loan. Bad debt on the other hand is borrowing money that loses value over time like a car loan or credit card debt. The trick is managing your debt wisely.

Remember everyone's financial journey is different. There is no one size fits all approach. So, take control of your money. Understand it. Manage it and watch it grow. After all, your money should work for you, not the other way around.



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Get Your Free Monthly Budget Template Below

Because many of us are visual learners, I have attached a link to a personal budget template to get you started. If you have problems accessing the link below, you can still find the template on my web page at www.outsourcingolutionstrategies.com. Just click on the green x at the top of the page. Please be on the lookout for a free webinar to answer any of questions you may have.

Thanks!

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