

Video 4: Budgeting

Chapter 4: Glossary terms

Budgeting

The process of creating a plan to manage your income and expenses over a period of time

Emergency fund

A cash reserve set aside to cover unexpected expenses or financial emergencies

Fixed expenses

Regular costs you can expect every month, i.e., gym membership or streaming services

Needs

Things that are required for survival, well-being and basic functioning. For example, basic food, clean water, rent, health related expenses, etc.

SMART goals

A framework for effective goal setting, where the acronym stands for Specific, Measurable, Achievable, Relevant and Time-bound. This ensures objectives are clear, actionable and trackable

Variable expenses

Fluctuate depending on your spending behaviour, i.e., clothing, concert tickets or dining

Wants

Things that are not essential for survival but add enjoyment or convenience. For example, restaurant meals, vacations, concerts, new clothing beyond essentials, etc.