



FACTSHEET: BUDGETING

This factsheet is a follow up of the CECE Focus Groups “Female conversations on finance. A slice of life of Spanish women”, held in 2017 in Madrid with women in the age group 55+, and is meant to contribute to the financial literacy of this specific target group.

Women’s confidence with financial concepts is strictly related to their level of “independence”. They need to be acquainted with investment funds and pension products, since they are often not informed enough about the good practices to plan for retirement.

Keeping an home budget was chosen as the elemental starting point for women to acquire some management skills needed to control their spending and to take appropriate financial decisions, in order to acquire awareness and avoid to be deceived by ill-intentioned people, as some participants told.

WHAT IS A HOME BUDGET?

A home budget is a plan that includes all the income and outgoings anticipated in a given time span, in an attempt to monitor the balance.

THE IMPORTANCE OF SAVING

During the focus groups, it came out that the main reasons for the women to save money were:

- To have an emergency fund
- To pay the bills
- To provide good education to children
- To help their adult children in case of unemployment or for other reasons
- To have money for retirement, when new expenditures arise (e.g. medical expenses)
- To be able to buy a house



BENEFITS OF KEEPING A HOME BUDGET

- To be aware of what the money is spent on, keeping track of the expenses which impact most on the balance
- To prioritise necessary expenses, limiting or eliminating the unnecessary ones
- To reduce or eliminate debts
- To set aside money monthly, even a small amount, according to long-term goals
- To accumulate a fund dedicated to emergencies and to be able to face unexpected expenses (e.g. a disease, an urgent visit to the dentist, a car breakdown, a job layoff)
- To live according to one's own possibilities (not above, nor below), with the tranquillity this entails
- To make forecasts for the future, which allows you to make plans to face tomorrow in a stable way

WOMEN FINANCIAL PRIORITIES

- Women have traditionally maintained tight control of their family's day-to-day household spending
- They are used to make provisions for future savings and spending
- They are aware of saving for retirement and home purchase
- They are more conservative when it comes to investing
- Nowadays they are also involved in financial familiar decisions

TIPS

- Make a budget, including an orderly and complete list of your income and expenses (fixed and variable) for a certain time
- Save an amount every month for "unforeseen" expenditures
- Keep it in an account
- Before buying any financial product, study and compare the offers of different banks, focusing on their prices, the quality of their care, their reputation, etc.



- Control your credit card statement

USEFUL ONLINE TOOLS

<https://www.youneedabudget.com/#>

<https://www.fintonic.com/es-ES/inicio/>

<https://monefy.uptodown.com/android>