

How to Budget on a Starting Salary

GoSkills online course syllabus

Skill level

Beginner

Lessons

17

Accredited by

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Pre-requisites

No prior experience needed

Video duration

55m

Estimated study time

55m 5s

Instructor

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Introduction

1

Make the most of a starting salary

A starting salary can be a financial turning point for students or people transitioning from hourly work.

Breaking Down Your Income

2

Gross pay vs. net pay

The money you make is not the money you have to spend each pay period.

3

Understanding monthly income

Your monthly income may consist of different components, such as salary, bonuses, commissions, and expense reimbursements.

Breaking Down Expenses

4

Prioritize mandatory expenses

It is a great habit to identify and prioritize payments that must be made each month.

5

Identify important payments

Some payments are more important than others and in your budget it will be helpful to set them aside from less important payments.

6

Define optional expenses

The toughest part of a spending budget is determining the expenses that are not mandatory or important and listing them as optional.

Creating Your Budget

7

Calculate your income

You may be paid in different intervals.

8

Categorize your transactions

A budget cannot work without putting expenses into categories to manage.

9

Balance your budget

Your goal is to achieve a balanced budget that makes sure that your expenses and savings do not exceed your income.

Using Budgeting Tools

10

Choosing a budgeting tool

There are different tools to consider when preparing a budget --including a notebook, a spreadsheet, or budgeting software to record your income and expenses.

11

Keeping your budget updated

Keeping your budget updated and adjusted is a good way to adjust your spending based on real time data.

12

Consider budgeting counseling

Operating on a budget can be a challenge and overspending can lead to increasing consumer debt.

Savings and Investments

13

Cost saving ideas

It is a smart idea on a starting salary to learn how to be smart about your spending and save on expenses.

14

Save emergency funds

Emergency funds can be a powerful way to increase your financial stability.

15

Retirement savings plans

Many employers offer a retirement savings plan to set aside money for your retirement years.

16

Review investment opportunities

Investing your money can be an option on a starting salary, but it needs careful consideration.

Conclusion

17 Starting salary and beyond

Building a budget is a great start to making the most of your starting salary.

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