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Women Empowerment

UNIT NO.	TOPICS
UNIT - 1	-HISTORY OF WOMEN EMPOWERMENT IN INDIA -ANCIENT PERIOD MEDIEVAL PERIOD, MODERN PERIOD -CONCEPT OF WOMEN EMPOWERMENT: MEANING, FORMS, NEED AND IMPORTANCE -DIMENSION OF WOMEN EMPOWERMENT
UNIT - 2	-WOMEN EMPOWERMENT- CONSTITUTIONAL PROVISION AND LAW -WOMEN EMPOWERMENT- POLICY AND SCHEMES - CENTRAL LEVEL AND STATE LEVEL (WITH SPECIAL REFERENCE TO MADHYA PRADESH)
UNIT – 3	-WOMEN EMPOWERMENT- ISSUES AND CHALLENGES - SUPPORTING AGENCIES: NGO'S SELF-HELP GROUPS AND PANCHAYATIRAJ INSTITUTES. -POWERFUL WOMEN LEADERSHIP OF INDIA; AHILIYA BAI HOLKAR, RANI DURGAWATI, SAVITRI BAI PHULE, MARY KOM, SINDHUTAI SAKPAL, TESSY THOMAS, INDIRA NOOYI, GAURA DEVI.
UNIT 4	FINANCIAL AWARENESS AMONG WOMEN: 1. BUDGET: DETERMINATION OF OBJECTIVES, ESTABLISHMENT OF GOALS, ACTION PLAN FOR ACHIEVING GOALS. FORMULATION OF FAMILY BUDGET. A REALISTIC BUDGET: THE RULE (50 PERCENT NEEDS, 30 PERCENT WANTS, 20 PERCENT SAVINGS). 2. IDENTIFICATION OF EXPENDITURE ON SELF, IDENTIFICATION OF UNNECESSARY EXPENDITURE, METHOD OF CONTROL OVER EXPENDITURE. 3. INDEBTEDNESS AND SAVINGS PRIORITIES DEBT-CIRCLE TRAP (MONEYLENDER / MAHAJAN / PRIVATE INSTITUTIONAL LOAN/MORTGAGE) POSSIBLE REASONS AND SOLUTIONS FOR DEBT EMERGENCY SAVINGS WISE INVESTMENT - SUKANYA YOJANA, MAHILA SAMMAN SAVINGS CERTIFICATE (EFFECTIVE FROM 01 APRIL 2023) ACTION PLAN TO ACHIEVE "EARN, SAVE AND SPEND" KEY WORDS: EXPENDITURE, REALISTIC BUDGET, INDEBTEDNESS, WISE INVESTMENT

UNIT 4

Budget

The budget is a blue-print of the projected plan of action expressed in quantitative terms and for a specified period. The budgets put the plan in a concrete form and follow up action to see that the plan adheres to complete the system of control. It shows income and expenses plan of spending. It shows how much money you will earn and spend over a while.

It can identify and mitigate potential financial risks, such as unexpected revenue declines, cost increases, or economic downturns, by building contingency plans and maintaining financial flexibility.

Communicating financial priorities: A budget serves as a communication tool that outlines an organization's financial priorities, ensuring that all stakeholders, including employees, management, and investors, understand the organization's goals and the necessary steps to achieve them.

Objectives of Budget

- **Plan for the Future**: Budgetary control helps organizations plan for the future by forecasting future income and expenditures. This allows organizations to recognize potential problems and develop strategies to address them.
- **Coordinate Activities:** Budgetary control helps to coordinate the activities of different departments and units within an organization. As a result, everyone works towards the same goals and resources are not duplicated.
- **Control Costs:** It helps organizations control costs by setting targets for spending and tracking actual performance against those targets. This allows organizations to identify areas where costs are overspending and take corrective action.
- **Improve Efficiency:** It helps organizations improve efficiency by identifying areas where resources are ineffective. This can lead to changes in processes and procedures that can save the organization money.
- **Increase Profitability:** Budgetary control can help organizations increase profitability by using their resources efficiently and effectively. This can lead to higher revenues and lower costs, which in turn can boost profits.

Goals of the Budgeting Process

Budgeting is a critical process for any business in several ways.

1. Aids in the planning of actual operations

The process gets managers to consider how conditions may change and what steps they need to take, while also allowing managers to understand how to address problems when they arise.

2. Coordinates the activities of the organization

Budgeting encourages managers to build relationships with the other parts of the operation and understand how the various departments and teams interact with each other and how they all support the overall organization.

3. Communicating plans to various managers

Communicating plans to managers is an important social aspect of the process, which ensures that everyone gets a clear understanding of how they support the organization. It encourages communication of individual goals, plans, and initiatives, which all roll up together to support the growth of the business. It also ensures appropriate individuals are made accountable for implementing the budget.

4. Motivates managers to strive to achieve the budget goals

Budgeting gets managers to focus on participation in the budget process. It provides a challenge or target for individuals and managers by linking their compensation and performance relative to the budget.

5. Control activities

Managers can compare actual spending with the budget to control financial activities.

6. Evaluate the performance of managers

Budgeting provides a means of informing managers of how well they are performing in meeting targets they have set.

Simple Steps to Starting Your Own Budget Action Plan

If this is the first time that you'd be creating your own budget action plan, it may get challenging for you. In order to lessen the difficulty of creating a budget action plan, take this step-by-step approach:

1. Women should Set their financial goals

In order for you to start you budget action plan, you have to create your financial goals. Without a set of financial goals, you will not be able to have a clear path. You may already have some budget action plan ideas but without a clear end point, you will definitely not know when to stop.

By having set financial goals, you will become determined to never spend beyond your means and just spend less than what you earn. You will also have a clear idea where you should allow your saving or your earnings since your goals might be any of the following: retirement funds, home down payment, new gadgets, vacation fund, emergency fund, or college tuition fund.

2. Women should have their personalized recording method

Right after determining what financial goals you will be aiming, you can now think of the right format on how you are going to keep your budget action plan.

If you want to keep it simple and comfortable, you can opt for a paper or notebook and a pencil or a pen for your budget action plan. You can also personalize it so that it will have an income and expense categories that you can easily fill as they occur each month.

However, if you want a more convenient recording method, you can opt for a simple spreadsheet program such as Microsoft Excel or LibreOffice Calc where you can easily add and delete categories or even entries and have more comprehensive computations

Whatever recording method you choose, make sure that it is a method where you are comfortable using and that is something you can surely consistently fill in.

3. Women should Gather all necessary financial documents

Now that you know what your recording method is, grab all your money-related documents such as credit card statements, checkbook, and bank statements.

You can use these to determine your expenses. Knowing your expenses is useful when it comes to creating your budget action plans. However, for this step, you don't have to track and list your expenses—just gather the necessary financial documents that can aid you.

4. Women should Include their income

Do you have more than one income sources in a year? Do take note of these. Some of the income sources you may include are salary, wages, tips, gifts, tax refund, interest, and sales of personal goods.

When listing down your income, do it by month so that it will be easier for you to project your cash flow as there some months wherein there are events and instances that you would most likely shell out a large sum of money such as the holiday season and those months wherein almost every single one of your family members and friends are celebrating their birthdays.

5. Women should list all expenses

This is now the time that you should track every single one of your expenses.

In writing down your expenses, you have to make sure that you will be able to break these into three categories, namely fixed expenses, variable expenses, and savings.

The fixed expenses are those expenses that will hardly change every month such as your house rent or car payment. The variable expenses are those expenses that change each month and usually, this includes your electric bill or groceries. Once you will be able to determine the accurate average of some of your variable expenses, you can then easily project your year-end spending. Under the savings category, include here your emergency fund, vacation fund, and other savings goals. Consider your saving as your "expenses" that you should give yourself so that you will have a clear picture of how much of that saving money will pile up in your bank account and that very amount is something you should not be spending for whatever irrelevant reason.

Family budget

A Family budget or home budget is a Monetary strategy for an outlined period, often one year. It uses information about the income of the family to prepare a family budget. Firms, governments, Individuals, and other organizations use it to the precise strategic planning of activities or events in measurable terms. It should also include planned sales volume and revenue, resource quantity, expenses, assets, liabilities, and cash flow.

A budget is that the sum of cash allocated for a specific purpose and, therefore, the summary of intended expenditures alongside proposals for a way to satisfy them. It's going to include a budget surplus, providing finance to be used at a later time, or a deficit during which expenses exceed income.

The family budget, is a plan for your household's incoming and outgoing funds over a specific time period, such as a month or year. A family budget is a plan for your household's incoming and outgoing funds over a specific time period, such as a month or year. For example, you might set aside specific cash amounts or percentages of your combined monthly income for various expenses such as food and saving, investing, and debt repayment.

Simple Family Budget Plan Strategy

A family budget is vital for money management. Because a family budget allows you to:

- Spend your money wisely on the necessities - these are your requirements.
- Save money for the things you enjoy but could do without - these are your desires.
- Set money aside for unexpected expenses - for example, if your automobile breaks down and requires repairs, don't overspend.
- Calculating how much money you'll need for daily necessities like food, housing, utilities such as gas, electricity, phone, water, transportation, and medical services will help you budget for unforeseen expenses and emergencies.

Follow these **seven easy steps for creating your family's monthly budget.**

1. **Establish a goal.** Ask yourself what you want to get out of making a family budget. Is it to create peace of mind? Pay your bills on time and have money left over at the end of the month? Improve your credit score and get out of debt? Or are you saving for a big purchase? Once you decide on your goal, write it down so you can remind yourself why it's worth the effort to stick to your budget.
2. **Choose a digital budgeting tool.** Even if you're not particularly tech-savvy, it pays to either download online budgeting software to your computer or to use a budgeting app on your phone. Digital budgeting tools are intuitive, easy to use, help reduce errors and are also often available for free or for a reasonable fee.
3. **Gather your financial information.** In order to create a household budget, you need to know exactly what your monthly earnings and expenses are. This includes pay stubs, bank statements, bills and receipts. In addition to reviewing paper records, remember to look up your account information online, including electronic billing and automatic bill pay.

4. **Organize into categories.** The next step is to figure out where your money is going and why. First, separate your expenses into the following categories:
   - Utilities — rent, electricity, phone, etc.
   - Discretionary spending — dining out, entertainment, shopping for gifts
   - Secured debt — mortgage, auto loan
   - Unsecured debt — credit cards, student loans, medical bills
5. **Calculate the information.** If you're feeling old school, you could put all the information you've gathered so far into a written ledger or type it into Excel. But you may want to try digital budgeting tools that will not only calculate your budget but also make suggestions on how to improve your spending habits. Simply load your information into the software or app of your choice and let it work its magic. Then watch it create a household budget personalized just for you.
6. **Look for ways to decrease spending.** Take a look at your discretionary expenses and come up with ways to spend less. For example, instead of dining out for lunch, consider preparing food at home and bringing it with you to work. When shopping, try to use coupons or wait for items to go on sale instead of paying full price. You can also look for ways to pay your debts off more quickly.
7. **Review your budget monthly.** Believe it or not, creating a family budget isn't a "one-and-done" deal. You need to update your income and expense information at least monthly to monitor your progress and look for ways to continue to save. But if you've already completed the previous six steps, the hardest part is over. Think of this monthly budget maintenance as a time to reflect on what you've accomplished, one step at a time.

Budget – Family of Four	**Per month**	**Percentage of Pay**	**Per Annum**
Salary – Single Income Earner	₹40,000		₹480,000
Expenses			
Rent	₹10,000	25.00%	₹120,000
Groceries/Food/Water	₹8,000	20.00%	₹96,000
Utilities – Electricity, Mobile, CableTV, Newspaper, Vikatan	₹2,000	5.00%	₹24,000
Petrol/Transport expense	₹2,000	5.00%	₹24,000
Children's School Fees / Education expense	₹2,500	6.25%	₹30,000
Support for Parents	₹4,000	10.00%	₹48,000
EMI for Bike	₹2,000	5.00%	₹24,000
Medical expense/reserve	₹500	1.25%	₹6,000
Entertainment & Travel	₹1,000	2.50%	₹12,000
Total Expenses	**₹32,000**		
Savings = Income – Expense	₹8,000	20.00%	₹96,000

According to Moore, set out time on your calendar for you and the other adults in your household to begin budgeting. (This may be you and your partner, your grown children, or your parents.) Scheduling holds you accountable and ensures that everyone is calm and focused on the task.

"Creating transparency about where you are currently is the first step," Moore explains. She suggests that everyone's money be audited first.

Start with rough estimates. Make a list of how much money you have in savings. Then go over your debts: What is the total amount owed on each debt, including monthly payments and interest? Repeat the process for regular monthly expenses such as your water bill. Finally, make a budget for the rest of your expenses. Break down your monthly spending into how much you spend on groceries, gas, clothing, and other items. According to Moore, you can record these charges individually or as a group.

Remember that you're only guessing at this stage. "All you want is a general overview," Moore says, adding that the exercise should take approximately 15 minutes. Then create a budget for yourself. To avoid becoming overwhelmed, take a slight pause. After that, log in to each of your financial accounts and list the real amounts you had estimated.

Moore has helped numerous clients navigate this process. She claims that figuring out the exact amounts is often an "awakening experience," as many people grossly underestimate their spending.

You and your family may undoubtedly find a few strategies to improve your finances from here. Perhaps you weren't aware of how much interest you paid on a particular loan and decided to contact and bargain. Alternatively, you may discover that you are still paying for a membership that you should cancel. You might realise that you're spending twice as much money as you thought you would on groceries by using coupons.

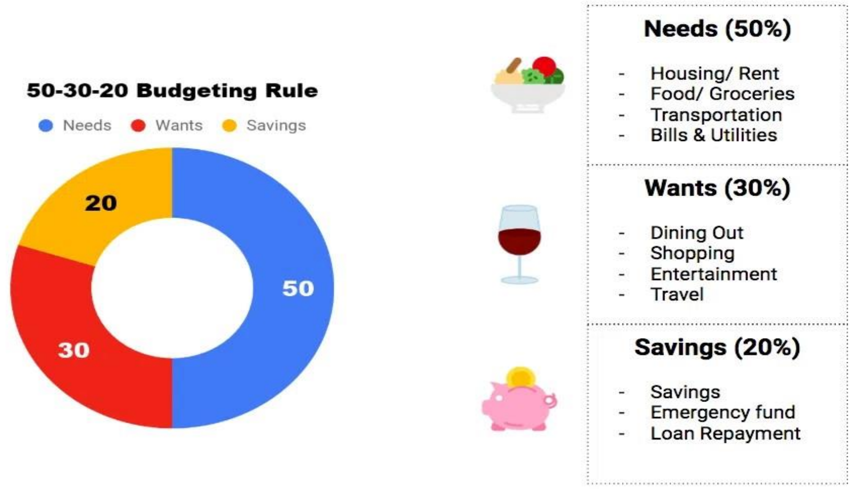
"Decide where you can cut or eliminate specific expenses, and then figure out how to reallocate those dollars to better align with your objectives," Moore advises.

At the very least, you now have a better understanding of your family's financial situation. You'll also have a baseline of your savings, debts, and expenses to see how they change as you begin budgeting.

Get clear on how much money is coming in and where your money is going. Take note of everyone's monthly earnings. Then try your hand at a budget for the first time.

As a starting point, we favour the 50/30/20 budget. It distributes your earnings in three ways:

- 50% goes on necessities like food, housing, essential utilities, transportation, insurance, child care, and minimum loan payments.
- 30% goes into wants like travel, presents, and eating out.
- 20% goes for debt repayment and saving for an emergency fund or retirement.



Types of Family Budgets

There are a few different ways to budget, and you can choose the one that you think will work best for you and your family. You can also combine parts of each type as needed.

50/30/20 Budget

The 50/30/20 budget method puts 50% of your income for essential bills like insurance and mortgage, 30% into "fun" or luxury spending, and 20% into savings or debt.

If family budgeting feels overwhelming to you that you procrastinate actually doing it, a 50/30/20 plan may be a good place to start. "This type of budget can be more manageable for families to follow since it's not as strict or time-consuming to plan and review," notes Anthony Martin, the CEO and founder of Choice Mutual and an official member of Forbes Finance Council.

Identification of Expenditure on self

How to Track Monthly Expenses

Tracking your spending on a regular basis can give you an accurate picture of where your money is going — and where you'd like it to go instead.

Then, by using a budget, you can accurately account for all the bills you need to pay going forward. But before you start plugging numbers into a spreadsheet or app, take a minute to list out each of your monthly expenses.

Here's how to get started tracking your monthly expenses.

1. Women should check account statements

Pinpoint your money habits by taking inventory of all of your accounts, including your checking account and all credit cards you have. Looking at your accounts will help you identify your spending patterns.

Your spending will consist of both fixed expenses and variable expenses. Fixed expenses are less likely to change from month to month. They include mortgage or rent, utilities, insurance and debt payments. You'll have more room to adjust variable expenses like food, clothing and travel.

2. Women should categorize expenses

Begin by grouping your expenses into different categories. Categorizing your expenses will help you not only track how much you're spending, but also see where your money is going. Some personal finance websites and credit cards automatically tag your purchases in categories like "department store" or "automotive" to help you identify themes. You might find that those impulse buys at Target are costing you a lot. Or maybe you'll realize you're paying for recurring subscription services that you could do without.

Another way to categorize your expenses is by breaking them down into needs, wants and savings/debts. This way of categorizing and tracking your expenses is known as the 50/30/20 budget, which you'll learn more about in the next step.

3. Women should build the budget

After categorizing your expenses, the next step to consider is creating a budget. A budget can help you take actionable steps to reduce your spending where necessary. At NerdWallet, we recommend using the 50/30/20 budget. Divide your net income into three categories: 50% for needs, 30% for wants and 20% for savings.

Sorting your expenses into needs and wants can help you organize your budget and prioritize spending, especially if you need to trim costs to make room for savings or debt repayment. Here is a breakdown of each category in the 50/30/20 budget. We also have a calculator below to help you run the numbers.

Needs

These are the expenses you cannot avoid like monthly bills. If you use the 50/30/20 budget, these should account for 50% of your spending. Necessities often include the following:

- Housing: Mortgage or rent; homeowners or renters' insurance; property tax (if not already in the mortgage payment).
- Transportation: Car payment, gas, maintenance and auto insurance; public transportation.
- Health care: Health insurance; out-of-pocket medical costs.
- Life insurance.
- Utilities: Electricity and natural gas; water; sanitation/garbage; internet; cell phone and/or landline.
- Groceries, toiletries and haircuts, and other essentials.
- Child care.
- Student loan payments; other minimum loan payments; child support or alimony payments.

Identification of unnecessary expenditure

Cost reduction is vital in any organization. It is important to find ways that you may be overspending or ways your company is losing money unnecessarily. Here are a few ways to find and cut unnecessary expenses in your organization.

1. **Paperwork:** Plenty of time is spent printing and reading products circulating your office. You may also find you have to deal with printer issues – sometimes jammed, running low on toner, or simply offline and unavailable, potentially putting you in an "Office Space" rage. That frustration can also be felt on your company's budget. If you reduce the amount of paperwork that is created and focus more on a digital-based product, not only do you help cut material costs, but you are also cutting time wasted dealing with printer issues and saving the environment at the same time. Even if you aren't printing everything – how much time are you spending creating spreadsheets to email around the office? Moving to a cloud-based platform that your team can use to get their information when they want it will save you quite a bit in labor currently spent creating spreadsheets!
2. **Insurance:** It is extremely important that your insurance policies are reviewed every time they come due. Knowing exactly what is covered in the company policy and what might not be needed any longer and can be dropped could save essential money. Too often, this is seen as a transaction -once it comes due the payment is made and never reevaluated. Your company could be paying for items to be covered that are not needed, and you should shop around to make sure you are getting the best insurance coverage at the best price. The other side of this review? Determining if your current coverage still matches what you need. An unexpected loss that isn't covered can be devastating. Does your insurance coverage still match your needs?

3. **Energy-Efficient Technology (Facility):** Much like your house, if you make small changes and opt for more energy-efficient appliances, the savings start to stack up. You can do the same thing at your company by making similar small changes – LED light bulbs. Energy-efficient computers and screens. You can also consider motion sensor lighting and smart thermostats for the office. All of these can be small moves to save money, and much like a domino effect will add up quickly.
4. **Needless Office Space:** Be honest about the actual amount of space your company needs. It's always smart to start small and keep the option to move into another space rather than "grow into" space. That puts a lot of pressure on you and the company to fulfill benchmarks set to make the larger space worth it. Also, consider the costs of heating and cooling a larger building. Items like that add up and will stack up to unnecessary costs. One option to consider – provide your team with hoteling stations and the ability to telecommute at times when it works for both you and them. You'll save on office space costs and provide a benefit that your employees will appreciate.
5. **Online Marketing:** The internet has ushered in an era of marketing that is both effective as well as cost-efficient. Most ads placed online only end up charging for how many people have seen it – that's the idea behind pay-per-click. This is a huge change from placing an advertisement in a magazine or billboard, hoping it gets noticed, and ending up with people just mindlessly passing it by. Online content can deliver results back to you with real-time numbers and analytics that show when and where it was most effective. And unlike print media and billboards, you can change your message instantly to adapt to what's working and pull ads that aren't.
6. **Integrate your Software:** Your company might be using several different software products to track expenses, time cards, and the products that are being shared within the company. Best in breed is a great way to stay flexible and keep up with new technologies – but can also create a lot of extra manual re-entry work if those systems aren't integrated. In this situation, it's important to integrate your various systems to keep the data moving seamlessly and reduce manual re-entry. You may have an initial investment to accomplish this, but you will save money in the long run.

Method of Control Over Expenditure

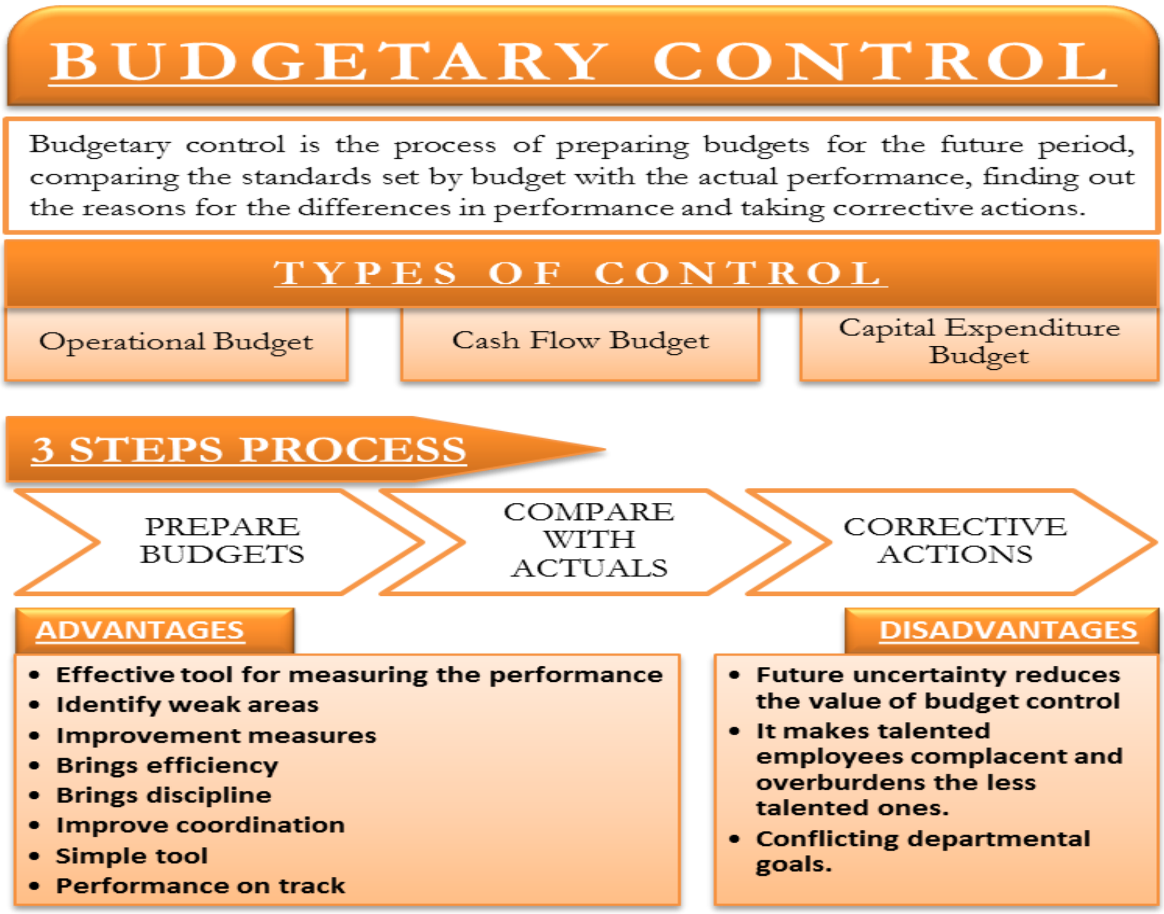
There are various types of budget controls that an organization can implement.

1. Operation Budget Control
   Operating budget control covers the revenues and operating expenses of the firm. This budget control is important for running the day-to-day operations of the firm smoothly. Usually, firms compare the performance of this budget with the actual performance on a monthly basis since a monthly comparison enables the organization to take corrective actions in a more timely manner. This budget control helps in achieving a desired level of EBITDA – Earnings before Interest, Tax, Depreciation, and Amortization.
2. Cash Flow Budget Control

This budget control compares the forecasted cash inflows and cash outflows from various sources to the actual inflows and outflows of cash. This provides an important control in the organization since it ensures that the organization has enough cash to meet its requirements and obligations. Cash budget control also involves investing the excess cash available, thereby making profits out of idle cash.

3. Capital Expenditure Budget Control

This budget control covers capital expenditures like buying a plant or machinery. This budget control helps the organization to plan and manage its capital expenditure. Capital expenditures involve huge sums of money. So, it becomes very important to take steps that ensure that the firm makes only profitable investments and takes decisions at the right time.



INDEBTEDNESS AND SAVINGS PRIORITIES

How to balance debt, saving, and investing

Student loans, credit cards, and mortgages—oh my. Like many people, you may have a variety of debt. And like many people, you may be working to pay off your balances while also trying to build up some savings for a rainy day (not to mention retirement).

Trying to juggle so many competing priorities can be stressful, particularly if you're not sure how best to focus your attentions. So we put together this step-by-step guide to try to help you decide what to tackle first.

Although we may not be able to fund your 401(k) for you or kill your student loans, hopefully we can help take some of the confusion out of the process as you work toward your goals.

Step 1: Make all your minimum payments

This could almost be "Step 0," because it should go without saying: Always make at least the minimum payment on all debts, on time. Keeping your debts in good standing is crucial to protecting your credit score. Plus, missed payments can lead to late fees and compounding interest charges, which can cause debts to quickly spiral out of control (and in extreme cases even lead to bankruptcy).

Step 2: Build up a cash buffer

Once you're meeting your minimum obligations, it's time to build some reserves. We suggest you start by saving up an initial cash buffer of $1,000 or one month's rent, whichever is greater, to give you some breathing room in your day-to-day (fully funding your emergency savings will come later, after you've checked off a few other boxes).

That way, even if occasional bumps come up, you won't run the risk of missing bills because your checking account balance is too low.

If you know for sure that you're going to face certain qualified medical expenses, you could consider saving enough to cover those expenses in a health savings account (HSA), even before funding other priorities (if you have high-deductible health insurance and qualify for an HSA, that is). That's because the significant tax savings you can reap with an HSA are almost akin to receiving a discount on those expenses.

At the same time, don't stress over this step if the prospect of forecasting your medical expenses makes your head spin. Doing what you can and keeping at it is more important than doing everything perfectly.

Step 3: Capture the full employer match

Next, it's time to look around for any low-hanging financial fruit. That means trying to contribute enough to your 401(k) or other workplace retirement plan to capture the full amount of any matching dollars your employer provides.

Your employer's match is essentially "free money," so not taking advantage of it is a bit like leaving money on the table. (That said—look into whether your employer's contributions take time to vest, and think about whether you'll stay at your job long enough for them to fully vest before you start banking on that free money.)

Step 4: Pay off any credit card debt

If you've been carrying balances on any credit cards, now is the time to start chipping away at them by paying more than your monthly minimums. Eliminating this debt is important so that you don't get stuck on a high-interest treadmill.

What if you're carrying a balance on more than one card? In that case, focus first on paying off your highest-rate card, followed by the second highest, and so on. (And once those cards are paid off, make sure to start paying your balance in full, every month.)

Step 5: Fully fund your emergency savings

Next up: Your rainy-day fund, aka your emergency savings. For this step, you should aim to save at least 3 to 6 months' worth of essential expenses, and keep those savings in cash so you could access them easily if you ever needed to.

Although it might feel like a lot to keep in cash, remember that this money is your safety net, protecting you from having to fall back on credit cards if a job loss, medical emergency, or other life curveball were to come up.

Step 6: Weigh investing vs. paying down debt

The good news is, you now have many of your most pressing financial needs covered, so you can start moving down your priority list. That bad news is, this is where your decisions may start to get more complex.

If you still have debt—whether student loans, an auto loan, or a home equity or mortgage loan—try comparing the interest rate on your debt to our rule of 6%. That can help you decide whether your next priority should be paying more than the minimum on remaining debts, or investing additional (unmatched) dollars toward retirement. (If you do have student loans or a mortgage, also make sure you're taking advantage of any tax deductions you're eligible for on the interest you pay.)

Ultimately, you should aim to save 15% of your pretax income toward retirement each year (this includes any employer matching contributions). Try to hit that mark before you continue down your priority list.

Step 7: Turn to your other savings goals

Once your debt, retirement savings, and financial safety net are in a strong position, it might be time to start turning your efforts (and extra cash) to your other goals, whether saving and investing for a child's college education, planning for the trip of a lifetime, paying off other remaining debts, or something else.

What goals you have, and which you choose to fund first, may be personal to you, so there aren't necessarily any hard and fast rules for how to best focus your efforts. (Learn more about identifying your savings goals.)

If you aren't already working with a financial professional, this might be a time to consider bringing in some help. A professional may be able to help you identify and prioritize your goals, plus come up with a saving and investing strategy that can put you on track to reach them.
It will still be up to you to do the hard work of funding your goals, but it never hurts to get some outside reassurance that you're on the right track.

Saving versus spending: How to prioritise when you are beginning your career

Saving for retirement might sound like a bizarre concept at such a young age. But if you lay the groundwork now, it will make a big difference.

It is as easy as putting a priority on saving and making smart financial moves, like contributing to retirement savings or building an emergency fund.

Consider these tips to help you stay on track:

<u>Prioritise your spending.</u>

1. Set a budget.
   This should include your monthly spending and your long-term savings goals. Rework your budget as your income changes, or when major life events occur.
2. Tackle high-priority expenses and high-interest debt first.
   Pay for your needs, such as housing, groceries and insurance, before your wants. And attack short-term revolving debt, such as credit cards first.
3. Find balance.
   Do not spend too much or save too much. We are not suggesting you start putting half your salary toward savings. Find a compromise to balance expenses and wants.

<u>Establish saving habits.</u>

1. Plan ahead.
   Make setting money aside for saving a part of your overall budget.
2. Expect the unexpected.
   Allocate a portion of your budget to building an emergency fund. Start by accumulating one month's worth of income, then increase it, as you are able, to cover three to six months of living expenses.
3. Divert spending into saving.
   Once you have paid off debt, avoid taking on more. Instead, take whatever amount you were paying toward debt, and add to your savings

DEPT CIRCLE TRAP

A debt trap is when you spend more than you earn and borrow against your credit to facilitate that spending. While this can certainly be caused by unnecessary spending, having inadequate savings to handle unforeseen costs can also result in a debt trap.
A debt trap refers to a situation where an individual or a company borrows money but is unable to pay it back. This often leads to a cycle of borrowing more money to repay old debts,

resulting in a never-ending cycle of debt. Debt traps can happen to anyone, regardless of their financial status, and can be caused by various factors.

Reasons Behind a Debt Trap

There are several reasons why people find themselves trapped in debt. One of the main reasons is overspending. People sometimes spend more than they earn, which results in them having to take loans to maintain their lifestyle. Another major reason is unforeseen emergencies or unexpected events like a medical emergency or a job loss, which can result in individuals taking on debt to cover their expenses.

Moreover, high-interest rates on loans and credit cards can make it challenging to pay off debts. Many people do not understand the harsh terms and conditions of the loans they take, leading to them agreeing to unfavorable interest rates and repayment periods. Some people also fall victim to scams and fraudulent schemes that promise to help them get rich quickly, but instead, they end up in even more debt.

How to Get Out of Debt Trap

Getting out of a debt trap can be challenging, but it is possible with the right plan. Here are some useful tips that can help you:

1. Prioritize Your Debts
   Make a list of all your debts and prioritize them based on their interest rates. Focus on paying off the debts with the highest interest rates first, as they will cost you the most in the long run.
2. Create A Budget
   Creating a budget will help you understand your expenses and manage your money better. Analyze and identify unnecessary or wasteful expenses that you can cut down on and use that money to pay off your debts faster.
3. Increase Your Income
   Consider taking up a part-time job or freelance work to increase your income. This additional income can help you pay off your debts faster. You can also consider learning new skills that will help you improve your income.
4. Seek Professional Help
   If you are struggling to pay off your debts, consider seeking the help of a financial advisor. They can help you create a plan to manage your debts and get out of the debt trap.

   A debt trap can be a challenging situation to deal with, but with the right approach and mindset, it is possible to overcome it. By understanding the reasons behind a debt trap and taking steps to manage your loans, you can get back on the path to financial stability.

What is an emergency fund?

An emergency fund is a cash reserve that's specifically set aside for unplanned expenses or financial emergencies. Some common examples include car repairs, home repairs, medical bills, or a loss of income.

In general, emergency savings can be used for large or small unplanned bills or payments that are not part of your routine monthly expenses and spending.

Having some extra funds available for emergencies is an essential component of your overall financial well-being, with enough cash to cover three to six months of expenses being a common recommendation. For many people, though, that can add up to an intimidating number — and can discourage even the best-intentioned saver.

1. Set several smaller savings goals, rather than one large one

Set yourself up for success from the start. Rather than shooting for three months' worth of expenses right away, shoot for one month. Or two weeks. Whatever it takes to make your first goal seem doable.

Reaching that first goal can give you the motivation to keep going. Set your second goal higher — and the third even higher. By then, saving will have become a habit, and the positive motivation you're building by reaching the smaller goals will help propel you toward larger ones.

2. Start with small, regular contributions

Set your initial contribution level at a relatively small amount. That will ensure you don't stress your cash flow, making it too easy for you to rationalize abandoning your savings routine.

Find something in your life you can live without, or with less — trim back the monthly coffee habit a bit. Pass on that new pair of shoes, or one big night out.

Choose that amount — whether it's $5 or $100 — and commit to saving it at regular intervals: per month, per week, or per paycheck. The key is that it needs to become a habit, not a recurring struggle.

3. Automate your savings

Out of sight, out of mind: the easiest way to save money is never to touch it in the first place. Most employers provide direct deposit, and some will even deposit to more than one account.

Set up a separate account just for your emergency fund and have your chosen contribution amount deposited automatically, either by your employer or your bank.

Use a savings or other type of account that you can't access easily, unlike a checking account. Chances are you won't miss it. And don't watch the account balance continually — that will only make growth seem smaller and slower. Forget about it and let time do its thing.

4. Don't increase monthly spending or open new credit cards

Once saving has become automatic, don't be lulled into a false sense of financial security and let spending creep up again. For example, if you gave up a new pair of shoes every month only to replace it a couple of months later with a new monthly shopping habit, you're not saving at all!

If you still have an extra $50 left over each month, maybe your savings deposit amount is too low. If you don't have an extra $50, you may be running up a credit card balance. Neither is productive. You shouldn't stop enjoying life while you build your emergency fund, but you shouldn't lose sight of its importance, either.

Having an adequate emergency fund is critical to your financial well-being. Be realistic, but try to reach your ultimate savings goal as fast as you can. That alone might make life more enjoyable.

5. Don't over-save

Or, more accurately, don't devote too much of your savings to your emergency fund.

By definition, an emergency fund is cash you can access quickly. That means you are most likely storing it in a low-yield vehicle like a savings account that is earning an extremely low rate of interest.

For that reason alone, you should stop contributing to that account once you've reached your ultimate goal. Start depositing into an account where it will start earning money on its own — ideally, your retirement accounts, where time will enable it to bear the most fruit.

SUKANYA SAMRIDDHI YOJANA (SSY)- 2023-24

Sukanya Samriddhi Yojana (SSY) is a government-backed savings scheme in India, specifically designed for the benefit of the girl child. The scheme was launched as part of the "Beti Bachao, Beti Padhao" initiative to promote the welfare and education of girls.

- Minimum deposit ₹ 250/- Maximum deposit ₹ 1.5 Lakh in a financial year.
- Account can be opened in the name of a girl child till she attains the age of 10 years.
- Only one account can be opened in the name of a girl child.
- Account can be opened in Post offices and in authorised banks.
- Withdrawal shall be allowed for the purpose of higher education of the Account holder to meet education expenses.
- The account can be prematurely closed in case of marriage of girl child after her attaining the age of 18 years.
- The account can be transferred anywhere in India from one Post office/Bank to another.
- The account shall mature on completion of a period of 21 years from the date of opening of account.

- Deposit qualifies for deduction under Sec.80-C of I.T.Act.
- Interest earned in the account is free from Income Tax under Section -10 of I.T.Act.

MAHILA SAMMAN SAVINGS CERTIFICATE (EFFECTIVE FROM 01 APRIL 2023)

The Mahila Samman Saving Certificate, 2023, is available from 01/04/2023 in the Post Offices at an interest rate of 7.5% p.a.

The Union Finance Minister, Smt. Nirmala Sitharaman announced Mahila Samman Saving Certificate, a new small savings scheme for women and girls, in her **Budget Speech 2023-24.** The Mahila Samman Savings Certificate scheme was announced to commemorate the Azadi ka Amrit Mahotsav.

The Mahila Samman Savings Certificate is a one-time scheme available for two years, from April 2023-March 2025. It will offer a maximum deposit facility of up to Rs.2 lakh in the name of women or girls for two years at a fixed interest rate.

Features of Mahila Samman Savings Certificate

Below are the features of the Mahila Samman Savings Certificate, 2023:

- **Government-Backed Scheme**
  Mahila Samman Savings Certificate scheme is a small savings scheme backed by the government. Hence, it does not have any credit risk.

- **Eligibility**
  The Mahila Samman Savings Certificate can be done only in the name of a girl child or woman. A woman or the guardian of a minor girl child can open a Mahila Samman Saving Certificate scheme.

- **Deposit Limits**
  The minimum deposit amount under the Mahila Samman Savings Certificate is Rs.1,000 in multiples of rupees one hundred. The maximum deposit amount is Rs.2 lakh in one account or all Mahila Samman Savings Certificate accounts held by an account holder. A woman or guardian of a girl child can open a second Mahila Samman Savings Certificate account after a minimum gap of three months from the opening of the existing account.
- **Maturity**
  The maturity period of the Mahila Samman Savings Certificate account is two years. Thus, the maturity amount will be paid to the account holder after two years from the account opening date.
- **Withdrawal**

A partial withdrawal facility is provided under the Mahila Samman Saving Certificate scheme. The account holder can withdraw up to 40% of the account balance after one year from the account opening date.

- Tax Benefits

  Tax Deducted at Source (TDS) is not deducted from the interest received under this scheme. However, CBDT notified that TDS would apply to the Mahila Samman Saving Certificate Scheme. As per Section 194A of the Income Tax Act, TDS will apply only when the interest received from the post office savings scheme in a financial year is more than Rs.40,000 or Rs.50,000 (in the case of senior citizens). Since the interest amount of this scheme for a maximum of Rs.2 lakh investment for two years does not exceed Rs.40,000, TDS is not deducted from the interest received under the Mahila Samman Saving Certificate Scheme.

Interest Rate of Mahila Samman Savings Certificate

This scheme has a fixed interest rate of 7.5% p.a., much higher than most bank Fixed Deposits (FDs) and other popular small savings schemes. The interest will be credited quarterly and paid at the time of closure of the account.

Premature Closure of Mahila Samman Savings Certificate

The Mahila Samman Savings Certificate account can be closed before two years in the following situations:

- After six months of opening the account without giving any reason. In such a case, an interest of 5.5% will be given.
- On the death of the account holder. In such a case, the interest will be paid on the principal amount.
- In the case of an extreme compassionate ground, such as:
  - A life-threatening disease of the account holder.
  - Death of the guardian upon production of relevant documents. In such a case, the interest will be paid on the principal amount.

Banks Offering Mahila Samman Savings Certificate

The Department of Economic Affairs, Ministry of Finance authorised all public sector banks and qualified private sector banks to operate the Mahila Samman Savings Certificate scheme through an e-gazette announcement on 27 June 2023. The list of qualified banks offering this scheme is as follows:

- Bank of Baroda
- Canara Bank
- Bank of India
- Punjab National Bank
- Union Bank of India
- Central Bank of India

ACTION PLAN TO ACHIEVE "EARN, SAVE AND SPEND"

Creating an effective action plan to achieve a balance between earning, saving, and spending involves thoughtful consideration of your financial goals, lifestyle, and priorities.

Financial Planning is the process of determining ways to earn, save and spend money and the amount you need to earn, invest and spend. By planning your finances, you manage your money such that you reach your life goals.

There is no single definition of *Financial Planning but important* is – the process should help you achieve your goals & bring peace of mind.

Steps for financial planning:

1. **Set up the financial goals** either by yourself or with the guidance of a financial planner. **How to set SMART Goals?**
2. **Collate all relevant data** required to set up a plan. Data can include financial objectives, annual income, spending estimates, loans taken, the expected rate of return on different assets, etc.
3. **Analyse the data** collected to find out your true financial position. Try to find out appropriate investment avenues.
4. **Develop the financial plan** taking into account the goals to achieve and the current means. The plan will help you draft realistic goals and how to achieve them.
5. **Put the plan in action**. Check the tasks to be done and start executing the steps. For example, the plan, depending on the financial situation and investment profile shows different options. For example. it might be considered that you can invest some amount in an equity mutual fund or you can't invest a single additional penny in equities based on your risk profile.
6. **Monitor and review the plan regularly**. You can set up a meeting with your professional planner if any who can guide you to make prudent decisions regarding your money. If required, the plan should be tweaked to be relevant to your current financial situation.