

# Financial Literacy 101: Budget



New Mexico  
State Treasurer's Office  
The Honorable Tim Eichenberg  
*State Treasurer*  
Samuel K. Collins, Jr.  
*Deputy State Treasurer*

## Money Saved = Options

- \$ Provides flexibility on choices
- \$ Allows you to do things you want to do
- \$ Pays for emergencies
- \$ Provides a financial cushion in tough times
- \$ Reduces stress

## Think Before You Spend

- \$ Do you **need** it or **want** it?
- \$ Shop around
- \$ Stick to your budget



## A Budget is...

- \$ A saving and spending plan
  - ¢ Identify your income and expenses
- \$ Your financial roadmap
  - ¢ Track your spending
- \$ A tool to reach your goals
  - ¢ Increase your income and decrease expenses

## Determine Your Income

- \$ Full-time or part-time job
- \$ Other types of work
- \$ Allowances and gifts
- \$ Other sources of income

## Identify Your Expenses

- \$ Pay yourself first
- \$ Fixed expenses
- \$ Flexible expenses

## Some Millionaires Who Did Not Budget Well



Michael Vick



Mike Tyson



Nicolas Cage

“By the time they have been retired for two years, 78% of former NFL players have gone bankrupt or are under financial stress; within five years after retirement, an estimated 60% of former NBA players are broke.”

—*Sports Illustrated*,  
“How and Why Athletes Go Broke”  
by Pablo S. Torre, March 23, 2009

“When I see today’s stars spending their money on gold and diamond jewelry and neglecting to plan for a time when the cash won’t be rolling in, I am very disappointed.”

—Kareem Abdul-Jabbar,  
NBA Hall of Famer

Am I  
spending  
money  
without  
thinking?

