

# FACEWORK SKILLS CHALLENGE

## MANAGING FINANCES



### WHAT IS THIS SKILL?

Managing your finances is important throughout your life, but especially when you start work. In this ‘Challenge’ we look at the **soft-skills**, needed for managing money. This challenge sheet will help you learn:

- How to **talk** about money
- How to be **confident** in ensuring you are paid properly and
- How to **financially plan** when it comes to earning money and managing your finances.



**Financial Literacy** is:  
'The ability to make effective decisions on money management ( budgeting, investing and saving).'

### LET’S TALK ABOUT MONEY!

Has anyone ever taught you about budgeting & saving?

.....

If so what did they tell you about money?

.....

What is the main challenge you have in managing money?

.....

.....

Talking about money is not taboo.

Starting a conversation about how to manage your finances could change your life for the good.



Who do you trust who you can talk to?

To begin, rate yourself as to how good you are at



**SELF MANAGEMENT**  
Rate yourself



1

Not great



2

Need help



3

OK



4

Improving



5

Mastering

Managing Finances



ARE YOU READY TO MASTER MANAGING YOUR MONEY ?





## WHY IS THIS SKILL VITAL FOR WORK?

Learning to manage your finances and how to identify opportunities to earn more is important to as you develop your career. The picture of most people earning a wage from a full-time 9-5 job is changing; today, there are many ways to earn money and there is a shift from traditional work structures towards part-time, freelance and self-employment.



*'Freelancing' is when someone works for themselves and takes on jobs that last for a specific amount of time.* The 'freelance' economy is taking off in India such as food deliveries, taxi services and social media and design work. A recent report states that 56% of Indian firms have more than 20% of its staff as temporary workers and the figure is growing.

### When should I talk about my salary at work ?

Generally, you should not ask about salary in a first interview unless you are asked specifically how much you expect to be paid. When you have secured your job there should be an annual appraisal of your work and that is the time to ask about a salary increase or a way of earning more money within the company for example taking on more responsibility.



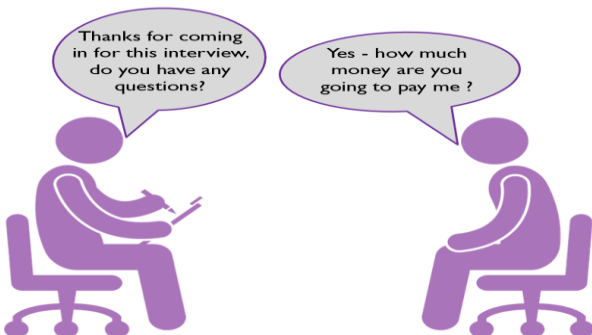
### Start saving early.

It is essential that when you start earning you start saving as early as you can.

It can be challenging – especially if you have debts or high start up costs, but as soon as you can set yourself a target – say of 5% of your income going directly into a savings account That way you will have reserves to draw on if you have a period of unemployment or need to buy a new capital item such as a new computer or phone.



What not to ask in a first interview if asked if you have any questions



Leave the money question until you are offered the job.



## HOW IS THIS SKILL RELEVANT TO MY PERSONAL LIFE?



### Importance of Budgeting

Creating a budget is a simple exercise where you write down your expected income and expected expenses for a set time (a month or year is usually good) to see what is left and how you can and should use your money.

The value of creating a budget is that you can use it to help you track and manage your money. Especially when you compare the actual money spent or earned against what you budgeted for!

The more you are careful to really identify all expenditure (including making allowances for an unexpected item of expenditure) the better you will be at identifying how much you need to earn and how much you could be saving.

Here is how to start:

Divide the page into two halves to create the budget format.

### 1) PLOT YOUR INCOME

Firstly, on the left-hand side, list all income you are likely to receive in this period including other

income you may receive (such as interest or rent from a property). Remember to think about any work you are or could be doing as a freelancer or part-time work. (see earlier section).

### 2) PLOT YOUR EXPENDITURE

Then on the right-hand side list the expenditure you are likely to spend. Remember to record things like a monthly train or bus pass, spending money for festivals, any loan repayments you may have as well as annual expenses like a tax bill or rent. On the expenditure page try to state the things which are essential not just the things you want, like a new phone or a holiday. These things should come out of your savings, which is what you get at the end of the period when you have surplus of income over expenditure.

### 3) ADD UP THE TOTALS

Then add up the income and expense items separately so that you have two total amounts at the bottom. **Your monthly budget is ready.**

**The crucial thing is to assess whether your income bigger than your expenditure?**

Having control and understanding of your finances  
= LESS stress = HAPPY life





## HOW CAN I MASTER THIS SKILL?

### Some important tips in setting a budget.

- ✓ Try to earn more than you save. It is obvious but setting a budget can help you avoid getting into debt and be more disciplined in what you spend.
- ✓ Keep any bank statements or invoices you pay at hand to help you with creating the budget.
- ✓ Keep refining your budget with new information you obtain (for example remembering a bill that you received but had forgotten to include).
- ✓ Compare your actual income and expenses against your budget regularly. You may have to do this at the end of the month when you have got all your bills and income in.
- ✓ As you get better at estimating the income and expenditure try to include a small miscellaneous items line so that you are accounting for a few things which are out of your control.
- ✓ As you get good at tracking your expenses try to differentiate and have two different lines for occasional expenses, Recurring expenses, Unforeseen expenses (this will have to be estimated).
- ✓ Always try to put side a little savings each month – as you see monitor what you earn and what you spend you can adjust this figure each month.
- ✓ Remember to think about the effect of Inflation on expenses because as time passes, the prices of most products and services usually increase. This is generally referred to as inflation. For example, if your data package goes from £15 to £20 per month it is important to account for this in your budget.
- ✓ If you have included repaying a loan item on your expenses, you must make sure to pay your instalments on time: If you do not, the interest charged on your loan may increase and your credit record and reputation will be impacted. Do not borrow money to pay another loan as if you do you will have to pay interest on that loan too. Your financial costs will keep increasing, loan repayments may become unaffordable and you could fall into a debt trap. Speak to a loan counsellor or your bank or MFI if you are facing problems in repayments so that they can help.

**Tick below the things which you or members of your family already do to earn money.**

- ☐ Growing produce   ☐ Running own business
- ☐ Tutoring   ☐ Babysitting   ☐ Tailoring
- ☐ Delivering food   ☐ Handcrafts   ☐ Driving a taxi
- ☐ Housekeeping   ☐ Investing finances
- ☐ Other .....



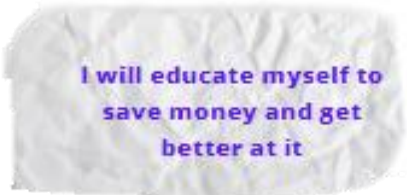
What is your inner voice really saying to you?

Are you generalising and getting stuck in your narrative?

What is your narrative around money and how can you change it?

For example – If your head is saying ‘I am not good at saving money’  
Change your tune to:

Have a go at reframing these narratives:



If you found this exercise helpful why not share your talk on Emotions and your top tips for others on the Facework website see <https://www.facework.online>

Finally, reflect on what you have learnt. How would you rate yourself now ?



SELF  
MANAGEMENT

Rate yourself

Managing Finances



1

Not great



2

Need help



3

OK



4

Improving



5

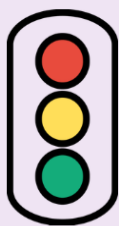
Mastering



# LEARNING BY DOING



1. To continue with my growth in Managing Finances what am I going to...



stop doing? .....  
continue doing? .....  
start doing? .....

2. Who is going to help me keep on track?

.....

3. How will I see the difference?

one week .....  
one month .....  
one year.....



4. Who will I share my knowledge of this skill with?



.....



5. Which Character Strengths will I need? Highlight them below!

Appreciating Others	Bravery	Creativity	Curiosity	Fairness	Forgiveness	Gratitude	Honesty
Hope	Humility	Humour	Judgement	Kindness	Leadership	Love	Love of Learning
Perseverance	Perspective	Prudence	Self Regulation	Social Intelligence	Spirituality	Teamwork	Zest

Learn more about Character Strengths at [www.facework.online](http://www.facework.online)

6. What would you change, add or remove to improve this worksheet ?

send suggestions to [info@facework.online](mailto:info@facework.online)