

# Day 2

Money Habits  
For Me



## Set Your Simple Spending Plan

**Budgets made simple, not stressful.**

## **Why Complicated Budgets Fail**

Research shows that 80% of people who try strict budgets give up within 3 months. Why? Because they're too rigid and too time-consuming.

We don't need 20 categories. We just need 3 buckets:

- Needs – housing, utilities, groceries, gas.
- Wants – entertainment, eating out, subscriptions, shopping.
- Savings/Debt Paydown – your emergency fund, future goals, or debt reduction.

That's it. Three.

Think of it like bowling with bumpers: you won't roll a perfect game every time, but you'll stay out of the gutter.

## The 50/30/20 Rule (Starting Point)

A popular framework is:

- 50% Needs
- 30% Wants
- 20% Savings/Debt

👉 Example: If your take-home pay is \$3,000/month:

- Needs: \$1,500
- Wants: \$900
- Savings/Debt: \$600

Even if your numbers aren't exact, having ballpark targets keeps you balanced.

## A Real-World Example

Meet Sarah. She earns \$2,800/month. Before, she had no plan — money just disappeared.

After applying the 3-Bucket Rule:

- Needs: \$1,400 (rent, groceries, car insurance)
- Wants: \$700 (restaurants, streaming, gym)
- Savings/Debt: \$700 (student loans + small emergency fund)

The result? She stopped feeling guilty about spending money on fun — because it was already built into her plan.

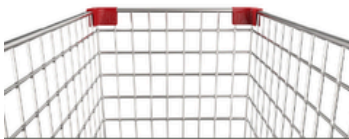
# THE 3-BUCKET PLAN

A Simple Spending Framework for managing your budget effectively and efficiently

## Budgeting Made Easy

### Needs

Allocate 50% (\$1,500) for housing, groceries, and utilities to cover essentials.



### Wants

Use 30% (\$900) for fun activities, entertainment, and shopping luxuries.

### Savings/Debt

Set aside 20% (\$600) for emergencies and debt repayment.



*A budget is telling your money where to go instead of wondering where it went.” — Dave Ramsey*



**Needs**



**Wants**



**Savings**

## **Quick Insight: Why Simple Wins**

Psychologists call this decision fatigue. The more choices we have to make, the more likely we are to quit. The 3-Bucket Plan reduces decisions and gives you clarity in minutes.

## **Wrap-Up**

Today, you built guardrails for your money — not a prison. With this plan, you’ll know your needs are covered, your fun money is guilt-free, and your savings are growing.

Tomorrow, we’ll add the next building block: a mini emergency buffer.