

Budgeting Essentials

Presenters:

BAYFIRST

Bill Jarema & Carlos Yancy



SCORE 

FOR THE LIFE OF YOUR BUSINESS

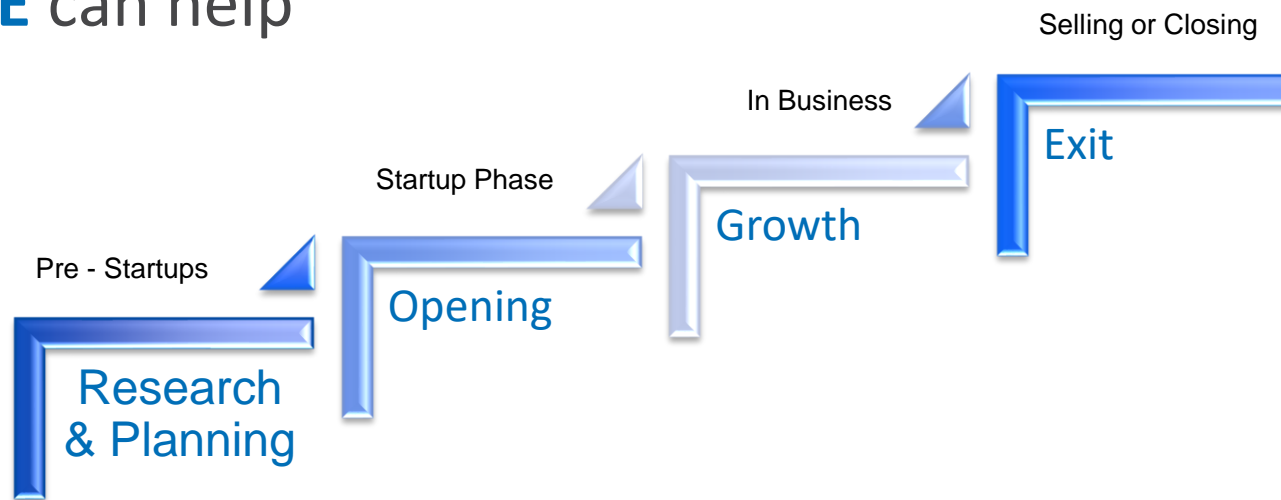
What is SCORE:

- A nationwide nonprofit organization that is an independent resource partner of the U.S. Small Business Administration (SBA)
- SCORE provides America's small businesses with **free**, confidential business **mentoring** (in-person and online) and **business educational services**: local workshops and 24/7 online resources at 300+ chapters nationwide with 10,000+ volunteers
- With nearly 90 volunteers, SCORE Manasota has served Manatee and Sarasota Counties for 50+ years (excluding North Port, which is served by the Port Charlotte chapter).
- Our Chapter has recently been recognized as the National Chapter of the Year for mid-sized markets.

Since its founding in 1964, SCORE has assisted over 11 million clients and small businesses throughout the USA



Successfully Navigate The Business Process:
Wherever you are in your business cycle,
SCORE can help



ACHIEVE YOUR BUSINESS SUCCESS:
SCORE's team of volunteer mentors,
motivate and guide you along your business path.



Thank you to the SCORE Manasota Sponsors and Community Partners!

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- Career Source Suncoast
- Community Entrepreneur Opportunity
- Florida Department of Revenue
- Golden Herald Awards
- Greater Sarasota Chamber of Commerce
- Manatee Chamber of Commerce
- Manatee County Government
- Manatee Technical College
- Robert L. Taylor Community Complex
- Sarasota County Government
- State College of Florida
- SWAT Networking
- University of South Florida
- Venice Area Chamber of Commerce
- Women's Resource Center



SCORE.org/Manasota
941.955.1029

Visit Our Website: SCORE.org/Manasota



Request a Mentor

Don't have the time to browse mentor profiles? – Fill out the mentoring request form, and we will pair you with a mentor and assist you in setting up a free mentoring appointment.

[REQUEST MENTOR >](#)



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**Budgeting
Essentials.**



Agenda:

- Why Do You Need a Budget?
- Creating a Budget
- Setting S.M.A.R.T Goals
- Measuring Success



AGENDA

1.

2.

3.

4.

5.



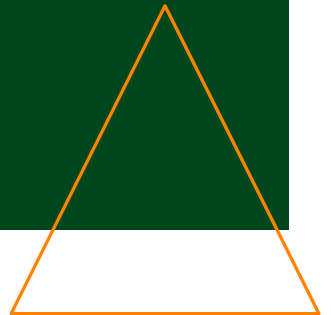
Think About This.

Even on \$100,000+
annual salary, millions
of Americans live
paycheck to
paycheck*

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Disappearing Money.



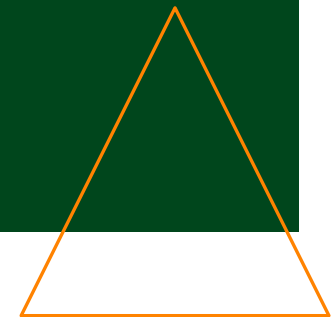
Search This.

“Lottery Winners Who Lost It All!”





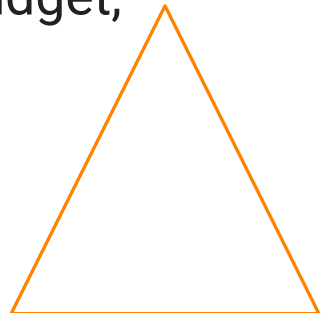
Money In, Money Out.



Reflection.



- On a scale of 1 – 10, how comfortable are you with your personal finances?
- Do you budget regularly?
 - For those who don't, why not?
 - For those of you who do budget, what do you get out of it?



Prioritizing Expenses.

It is important to distinguish between “needs” vs. “wants” when making financial decisions.

Needs

- A must have in order to survive, such as food and shelter
- Example: A glass of water

Wants

- Not an essential; makes life easier or more enjoyable
- Example: An expensive sparkling, bottled water

A smiling man and woman are shown from the chest up, holding large stacks of US dollar bills. The man is on the left, wearing a light blue button-down shirt, and the woman is on the right, wearing a grey top. They are both looking towards the camera with wide, happy smiles. The background is plain white.

Q: What is a budget?

A: A plan for your money

A graphic element for the Bay First logo, consisting of a large orange triangle pointing upwards, set within a grid of smaller white triangles that form a larger triangular shape.

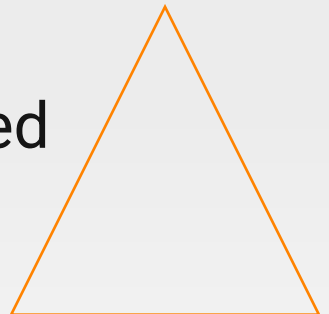
BAY FIRST

A graphic element for the Bay First logo, consisting of a large orange triangle pointing downwards, set within a grid of smaller white triangles that form a larger triangular shape.

The Budgeting Process.



- Assess personal finances- what do you spend money on?
- Set personal goals
- Create a budget based on projected income
- Monitor current spending patterns
- Revise budget as needed



Financial Checkup Activity.

Money In.

- Paycheck(s)
- Benefits
- Investment income
- Self-employment
 - Ride sharing
 - Home sharing

Money Out.

- Bills
 - House
 - Car
 - Food
- Credit cards
- Loans

Financial Checkup Results.

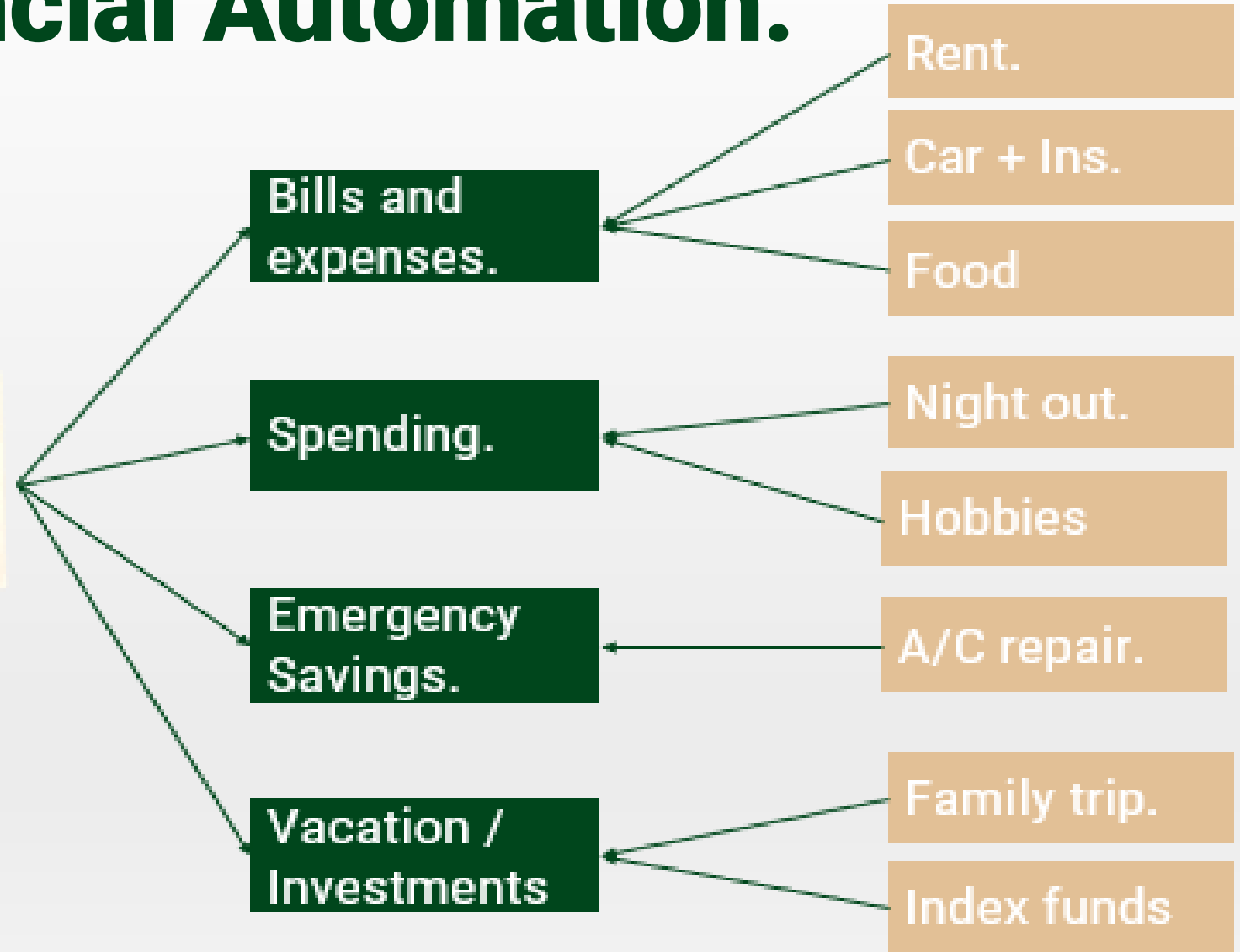


- You may have enough money to cover expenses.
- You may be able to pay down principal of debt
- You may be able to save
- You may be able to invest



- You may be spending too much in late fees and interest
- You may need to ask for a raise or seek additional income
- You may need to cut expenses

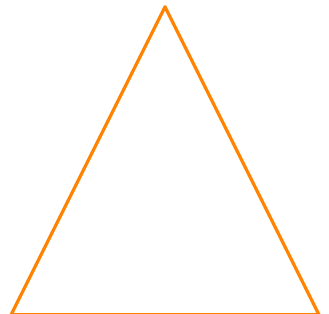
Financial Automation.



Financial Goals.



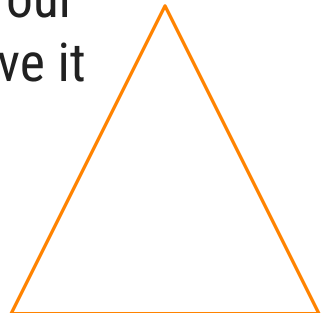
- ▶ Why is this important?
- ▶ Income vs. Expenditures



Signs Your May Need a Budget:



- Your debt balances are increasing – You only pay the minimum on credit cards
- You are “robbing Peter to pay Paul” to afford grocery or other essentials
- You have no emergency funds – Any unexpected expense could be a financial disaster
- You live paycheck to paycheck – Your paycheck is spent before you receive it



Traditional Approach to Money



INCOME

\$\$ you receive from paychecks, doing chores, scholarships, etc.



BILLS

Payments you make for your car, your phone, rent or mortgage, insurance, etc.

Left Over

Savings for short term and long-term goals
Investments, savings accounts, CDs, money market

Financing

Terms of any loans, lines of credit, and credit cards
principal, interest rate, payments, time

Warren Buffet's Advice...

“Do not save what is left after spending but spend what is left after saving.”

“The biggest mistake is not learning the habit of saving properly.”



Save Your Money.



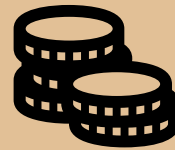
Make a Savings goal



Open a savings account



Understand compound interest



Save for unexpected expenses

These are **NOT** Bank Accounts.

Venmo
Cash App
PayPal



- Not FDIC Insured
- Fees to Access Your Money
- Cannot Cancel Transactions
- No Fraud Protection

Getting the Best Return on Your Savings.

Banks	Savings Rate APY	Money Market Rate APY
Bank of America	0.01%	0.03%
Chase	0.01%	N/A
Wells Fargo	0.15%	N/A
Capital One	3.50%	0.80%
BayFirst	1.75%	0.30%
Ally Bank	3.75%	4.00%

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A Different Approach to Money



INCOME

\$\$ you receive from paychecks, doing chores, scholarships, etc.

Savings

\$\$ for emergencies, short-term and long-term goals, Investments, CDs, MM accounts
10%-20%

Bills

Payments for rent/mortgage, cell phone, insurance, etc.

Financing

Terms of any loans, lines of credit, and credit cards
Principal, interest rate, payments, time

Reduce

Specific

S

G

Measurable

M

O

Attainable

A

A

Relevant

R

L

Time-Bound

T

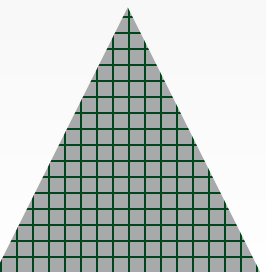
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**Creating a
Budget.**



Making a Budget.

Bills & Expenses		Spending.		Emergency Savings.		Vacations.	
Rent	\$1,600	Restaurants	\$200	Emergency	3mos of Bills & Expenses	The Maldives	\$6,000
Electricity	\$340	Clothes	\$80				
Internet	\$60	Amazon	\$60				
Cellphone	\$120						
Car + Ins.	\$440						
Credit Card	\$130						
Total	\$2,690	Total	\$340	Total	Up to \$8,070	Total	Up to \$6,000

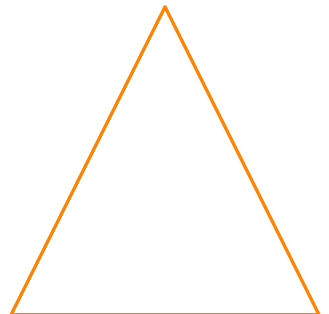
Monthly income: **\$3,400**

Budget Killers- Car Ownership.

2015 Yaris
3-Door L



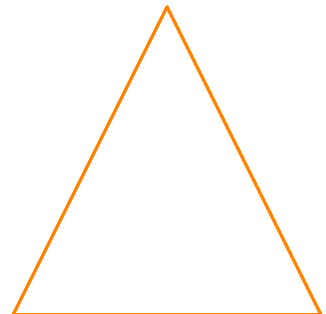
- Fuel
- Maintenance
- Insurance
- Repairs
- Financing
- State Fees
- Depreciation (loss in value)



Budget Killers- Home Ownership.



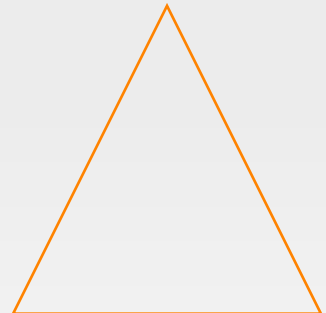
- Homeowner's Insurance
- Property Taxes
- HOA Fees/Special Assessments
- Maintenance
- Roof Replacement
- HVAC or Furnace Replacement
- Major appliance repair/replacement



Other Budget Killers.



- Daily coffee (ex. Starbucks)
- Smoking
- Alcohol
- Buying your lunch daily
- Credit card interest
- Late payment fees
- Cable/streaming services
- Pet care
- Childcare



Common Budget Killers.

Item	Purchase Price (w/o tax)	Weekly	Monthly	Annual Cost
Café Latte (4)	\$3.65	\$14.60	\$58.40	\$700.80
Bottled Water (5)	\$1.29	\$6.45	\$25.80	\$309.60
Door Dash (3)	\$19.26	\$57.78	\$231.12	\$2773.44
Totals			\$315.32	\$3783.84

<https://www.fastfoodmenuprices.com/starbucks-prices/>

<https://drinkflowater.com/blog/the-real-cost-of-bottled-water-2/>

<https://www.nytimes.com/2020/02/26/technology/personaltech/ubereats-doordash-postmates-grubhub-review.html>

Measuring Success.

- Your debt balances are decreasing – You pay off your credit cards monthly
- You pay yourself before paying your bills.
- You can pay your bills on time and have enough left over for essentials
- You have 3-6 months of emergency funds saved
- You invest part of your earnings and plan for your future





Any Questions?

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CONTACT ME

Joe McKenzie

Assistant Banking Center Manager



941-263-1127



Joe.McKenzie@BayFirstFinancial.com



1782 Dr. Martin Luther King Jr. Way
Sarasota, FL 34234

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Thank You!



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for a mentor

Thank You!

- ▶ Help Us Help You:
 - ✓ Please complete the survey
 - **What can we improve?**
 - **What other topics are you interested in?**
 - ✓ Refer Manasota SCORE to those
 - Who may benefit from our programs
 - Seeking volunteer opportunities



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