

MADE FOR MONEY

PERSONAL FINANCE MANAGEMENT EXERCISE

Part 1: The Single Account (Income Only)

Imagine you have **ONE account** where all your income sits, and you spend freely from it.

Scenario:

You receive _____ in monthly income. Use the table below to allocate funds and cover all the expenses.

Category	Expense Amount (\$)	Remaining Total Balance (\$)

MADE FOR MONEY

Reflection Questions:

1. How did it feel to use one account for everything?

2. Did you have clarity on how much money was left for each category?

3. Were there areas where you overspent or underspent?

MADE FOR MONEY

Part 2: The 6-Account System

Now imagine you divide your income into **6 dedicated accounts**:

- 1. **Income Account**: The main account where all income arrives.
- 2. **Needs Account**: Essentials like rent, utilities, and groceries.
- 3. **Wants Account**: Fun and leisure like dining out and entertainment.
- 4. **Fix/Future**: Pay down debt. Once debt is zero, save for the future expenses like home repairs.
- 5. **Dreams Account**: Savings for vacations or long-term dreams.
- 6. **Emergencies Account**: Funds for unexpected events like medical costs.

Scenario:

You still receive _____ monthly income. Allocate and spend across the 6 accounts.

- 1. Start by **splitting your income** into these 6 accounts:

Account	% of Income	Allocated Amount (\$)	End of Month Account Balance (\$)
Income Account	100% (to start)		
Needs Account			
Wants Account			
Fix/Future Account			
Dreams Account			
Emergencies Account			

MADE FOR MONEY

2. Now “spend” the allocated money on the same expense categories as Part 1.

Expense Category	Expense Amount (\$) (modify)	MFM Account Type	MFM Account Balance (\$)	Decision	Total Remaining Balance (\$)

MADE FOR MONEY

Reflection Questions:

1. How did managing your money with the 6 accounts feel compared to using just 1 account?

2. Did you feel more in control of your spending? Why or why not?

3. Were you able to allocate funds for emergencies and dreams without overspending on wants?

4. What was the biggest "aha!" moment for you during this exercise?

Takeaway:



Using purpose-specific accounts helps you prioritize essentials, plan for unexpected costs, and achieve your dreams—without sacrificing your wants.