

Personal Finance and its Relevance to our Society today

As we all know, our country's poverty rate increases annually. Unemployment and lack of education are some of the factors which emphasizes its effects. But have you ever wondered how to be financially stable despite having a lack of education? How to earn despite the state of being physically unemployed? There are many ways to earn and learn. But one thing's for sure, we should know and be familiarized with personal finance.

I was a student who aspired to study in the field where money is studied. Financial management, accountancy, business management, name it. I aspire to be on that track. Which is why I chose a track wherein it leads me closer to my aspiration. From that track, I learned the different types of investments to be done once stable. But, we could not accomplish this without further knowledge. That's when I started to learn more about personal finance.

Personal finance is managing your own financial activities. When we say activities, these are spending, saving, and budgeting. We manage it all. If we have proper knowledge about it, we'd definitely ace this process. But how can we finance our personal income? One thing I learned and kept in mind was the 50-30-20 budgeting rule. 50% of your income must be spent on the bills and payments you need to settle; 30% for things you want to have such as gadgets, and 20% goes to savings. Now, this is where the part goes wary. Most people spend 50% of their finances on potential liabilities, these are: gadgets that are paid monthly and mortgage. Always remember, what we gain should be bigger than what we lose or else it will lead to mismanagements.

The 50-30-20 budgeting rule might be hard to do but beneficial in the future. This will also lead us to a better life. I believe that success is not measured by educational attainments, but rather wise decisions in life. If someone gave you money, do not spend it all. If you suddenly had a job, make sure to use it on essential things. We must learn how to suffer in the present to live fully in the future. This would not just benefit you, but the future generations.