MODULE 01 / EVERYDAY MONEY

Your money, made clear.

Turn income, bills and balances into a plan you can actually fund.

Your take-away

A monthly spending plan and a clear view of what you own, owe and can access.

By the end, you can

- Separate net worth from money you can spend.
- Convert irregular income and bills into consistent periods.
- Allocate a finite surplus without counting transfers twice.

Read. Work it out. Apply it.

Read the concepts and worked example first. Use the worksheet for your own decision, then answer the eight questions before turning to the answer key. Open the linked tools when you are ready to apply the ideas.

About 18 minutes with exercises · 8 questions · Version learning-2026.09-v1

Original educational material and fictional examples. This workbook does not assess suitability or provide personalized financial, tax or legal advice.

Keep these checks beside your plan

- Every figure uses the same household scope and a stated period.
- I can distinguish total net worth from accessible cash.
- Transfers and debt minimums appear once.
- My goal allocations fit my available capacity.

01 / UNDERSTAND

The essentials

A balance is different from a flow

Net worth is assets minus liabilities at one date. Income and spending are flows over a period. A home can increase net worth while leaving little cash for next month’s bills. Record ownership shares and keep accessible savings separate from property and restricted pensions. Use the same date and currency for a meaningful comparison.

Your usable income is the starting point

For a household budget, start with take-home income after payroll deductions. Do not enter gross salary and then treat the difference as available saving. Keep bonuses and variable work separate from reliable monthly income. Agree whose money and commitments the household plan includes.

Saving is a destination for your surplus

Moving €200 from a current account to savings does not reduce household net worth. It allocates cash. Do not count that transfer as spending and then subtract it again as saving. Debt payments affect the bank balance; their principal and interest have different effects on net worth.

Terms worth knowing

Net worth. Assets minus liabilities at a stated date.

Liquidity. How readily an asset can fund a payment without a significant loss or restriction.

Surplus. Income remaining after the stated spending and required payments.

Sinking fund. Money set aside for a known future expense.

02 / APPLY

Put it into practice

1. Put everything on one clock

Convert a €1,200 yearly bill to €100 a month for budgeting. Convert a weekly amount using 52 ÷ 12, not 4. Averages help compare capacity, but keep the actual due date: a bill due tomorrow cannot be paid with saving that arrives later.

2. Identify what is already committed

Separate essential bills, flexible spending, minimum debt payments and transfers to savings. If minimum debt payments are already included in the spending total, do not add them again. Record fees and irregular costs, not only the large recurring bills.

3. Allocate what is left, once

Net income minus spending and required payments gives the capacity available for goals. Assign it across emergency saving, extra debt repayment, investing and planned purchases. A negative result is a funding gap, not a negative saving target to hide. If goals exceed capacity, change an amount, a date or income.

When life crosses borders

If you earn in one currency and spend in another, budget using a stated rate and allow for transfer costs. Recheck the plan when income, residence or household membership changes. A currency selector does not perform an exchange transaction.

Before you decide

Comparing different currencies by their symbols. EUR 10,000 and USD 10,000 are not equal amounts. Keep original currencies and use an explicit dated exchange rate before totaling them.

Treating credit as income. A new loan brings cash and an obligation. It does not create earned income or increase net worth by its full amount.

Using an average as a payment schedule. A monthly allowance for annual insurance is useful only if the cash is available when the insurer asks for payment.

03 / WORK IT OUT

One household, one monthly surplus

Illustrative EUR figures. The household has converted annual bills to monthly amounts and has no other costs in this example.

Item	Monthly amount
Take-home income	€3,600
Living costs, including annual-bill provision	€2,200
Minimum debt payments	€300
Capacity before goal allocations	€1,100
Emergency saving / extra debt / investing / trip	€200 / €300 / €400 / €150
Unallocated capacity	€50

€3,600 - €2,200 - €300 - €1,050 = €50

The €1,050 of planned transfers and extra repayment uses the €1,100 capacity. It is not a second €1,050 of spending to subtract before measuring that capacity. If a new €200 monthly commitment appears, the existing allocations need to fall by €150 or another funding source must be found.

Your turn

Try it: an additional €1,800 annual cost appears. What is the new unallocated amount?

Write your answer here; the worked solution is on page 8.

04 / MAKE IT YOURS

Your working notes

Decision: ______________________________ Review date: ______________

Use this page for estimates and questions. Keep account numbers, tax IDs and other sensitive records in an appropriate secure location.

1. Whose income, assets and bills are included in this plan?

2. Take-home income, currency, pay frequency and source date

3. Essential and flexible spending, including irregular bills

4. Debt minimums included in the spending total: yes/no; monthly amount

5. Capacity, goal allocations and unallocated balance

My next action and when I will take it

Return to these notes after the knowledge check. Relevant tools and source references are on page 9.

05 / CHECK YOUR UNDERSTANDING

Knowledge check 1-4

Choose one answer for each question. Answers and explanations are on page 8.

1. Assets are €80,000 and liabilities are €25,000, measured on the same date and in EUR. What is net worth?

   A. €105,000

   B. €55,000

   C. €80,000

   D. €25,000

2. What is the monthly budgeting equivalent of a €1,200 yearly insurance bill?

   A. €1,200

   B. €120

   C. €100

   D. €50

3. In the worked example, how much remains after €1,050 of goal allocations?

   A. €50

   B. €1,100

   C. €1,050

   D. -€1,050

4. You transfer €200 between your own current and savings accounts. Ignoring fees, what happens to net worth?

   A. It rises by €200

   B. It falls by €200

   C. It rises by €400

   D. It is unchanged

05 / CHECK YOUR UNDERSTANDING

Knowledge check 5-8

Choose one answer for each question. Answers and explanations are on page 8.

5. Income is €2,500 and required outgoings are €2,700. What does the result mean?

A. €200 can be invested

B. There is a €200 funding gap

C. Saving is exactly zero and no change is needed

D. Borrowing automatically closes the issue permanently

6. A €300 minimum debt payment is already included in monthly outgoings. How should it enter the total budget?

A. Once

B. Twice, because it is debt

C. Only as income

D. It should be excluded completely

7. Which balance is normally available most directly for next week's bill?

A. Home equity before any sale or loan

B. A pension with access restrictions

C. Cash in an accessible account, subject to its terms

D. An expected inheritance with no confirmed date

8. You add €1,800 of annual costs to the worked example. What happens to the €50 monthly remainder?

A. It becomes €200

B. It stays €50

C. It becomes -€1,750

D. It becomes -€100

06 / REFLECT

Answers & explanations

1. B - €55,000

Net worth is assets minus liabilities: €80,000 - €25,000 = €55,000.

2. C - €100

Divide the annual total by 12: €1,200 ÷ 12 = €100. The actual payment date still matters.

3. A - €50

€3,600 income - €2,200 living costs - €300 debt minimums - €1,050 allocations = €50.

4. D - It is unchanged

You have moved an asset between accounts. Total assets and liabilities are unchanged.

5. B - There is a €200 funding gap

€2,500 - €2,700 = -€200. The gap needs an explicit change or funding plan.

6. A - Once

Count each cash payment once. A separate debt category can show its composition without adding it again.

7. C - Cash in an accessible account, subject to its terms

Accessible cash is different from an asset that must first be sold, unlocked or received.

8. D - It becomes -€100

The new cost is €150 per month. €50 - €150 = -€100.

Worked answer: your turn

€1,800 ÷ 12 = €150 per month. €50 - €150 = -€100, so the current plan has a €100 monthly gap.

A score checks these concepts, not your readiness to make a financial commitment. Revisit any missed ideas before applying them.

07 / TAKE THE NEXT STEP

Use your Playbook

Budget optimizer

Build the monthly plan; review the signed surplus before assigning goals.

Net worth dashboard

List what you own and owe; separately select assets available for the growth projection.

Debt freedom planner

Compare repayment strategies using only affordable additional cash.

Sources & scope

Original explanations and fictional worked examples. These official references support the background concepts; local rules and exclusions still apply.

MoneyHelper: Budget planner

Household scope, records and budgeting periods.

CFPB: Building an emergency fund

Purpose, accessibility and circumstances behind a cash reserve.

Source review: 6 September 2026. This is an English-language learning edition. EUR, USD and BRL examples use explicitly stated fictional inputs; they are not live exchange quotes.

Tool links will work when the matching website release is published. Before launch, open the corresponding HTML pages in your site preview. Review model assumptions before using an output.