

# **PERSONAL EXPENSE TRACKER APPLICATION**

## **PROBLEM STATEMENT**

### **Problem Statement:**

The expense tracker is an application which helps the user to manage all their expenses in an efficient way and track budget. This would avoid budget handling difficulties and give us efficient results on our savings.

### **Who does the problem affect ?**

People who are in need to track their expenses, who are desperate to save money, who have an extravagant lifestyle might need to track their expenses. Many people in India live on a fixed income, and they find that towards the end of the month they don't have sufficient money to meet their needs. While this problem can arise due to low salary, invariably it is due to poor money management skills.

People tend to overspend without realizing, and this can prove to be disastrous. Using a daily expense manager can help you keep track of how much you spend every day and on what. At the end of the month, you will have a clear picture where your money is going. This is one of the best ways to get your expenses under control and bring some semblance of order to your finances.

### **What are the boundaries of the problem?**

People need to be aware of the importance of tracking their expenses. Some people may track their expenses but still won't resist spending their money on unwanted things. They should be determined enough to save their money at all costs. They should set the target amount to be saved within a period. Based on their income and the need one should set the target and start saving the money. Tracking expenses sometimes make people resist spending on their basic needs just to achieve their financial goal. One should keep their target achievable without cutting off their basic needs.

### **What is the issue and when does it occur?**

If you don't check your spending and create a budget, you will have no control whatsoever on your money. Instead, money will control you, and you will either have perpetual lack of funds or you will end up steeped in debt. Without proper tracking of your finances, you will not be able to determine unnecessary spending. This spending, if saved, can easily add up to quite a bit.

For some people they won't mind spending money all day but at the end of the day they regret being extravagant. This is one of the reasons why people can't attain their financial goals. Keeping track of the expenses will help to reach those financial goals quicker. There's a study that 60% of people can't say no to spending if they are with a group of people and they care more about money if they are gonna spend money alone. This is just some sorta mind games. Emergencies come when you least expect it. Tracking your expenses will encourage you to save money which might help you in any disastrous situation.

### **Why does this issue need to be solved?**

When you track your spending, you know where your money goes and you can ensure that your money is used wisely. Tracking your expenditures also allows you to understand why you're in debt and how you got there. This will then help you design a befitting strategy of getting out of debt.

There is a popular saying that "the easiest way of becoming bankrupt is by not paying attention to your expenses." There is nothing that captures the importance of keeping track of your expenses better than that saying.

The responsibility of taking care of our own finances doesn't happen when you start earning from your job, it starts much earlier; for some when they get to college and for others even earlier. If you don't learn how to manage your finances earlier in life, you may find it more difficult to adopt proper monetary habits later when you begin to earn from your employment or business.

In life, if you are continually in debt, it means you do not pay enough attention to how you spend your money. It's important to monitor spending so as to avoid falling into a nasty financial situation.

People purchase many things over the course of a month. It may just be a packet of gum, a newspaper, an ice cream, or even clothing and household items. At the end of the month, when you evaluate your purchases, you may discover you've made more than 50 purchases in just one month. At that rate if you do not track your expenses, it's easy to go overboard, beyond your income.