

INSIGHTS DERIEVED FROM FINANICIAL DASHBOARD

1. Account-Level Insights:

' Observations:

- Total Spend by Account:
 - Checking account usage: ₹20308.3 (larger share)
 - Credit account usage: ₹16486.7

Insights:

- A greater proportion of expenses are routed through the checking account, indicating either a preference for cash-based transactions or an aversion to debt.
- While this suggests lower financial risk, it also means limited leverage of credit-based rewards.
- Credit card usage, though lower, must be monitored for payment cycles and potential interest, especially if balances are carried forward.
- Action: Aim to balance payment sources to optimize credit score and cashback benefits without incurring interest.

2. Categories and Sub Category expenses:

Observations:

- Major contributors to spending:
 - Rent & Groceries(Living Expenses)
 - Clothes & Entertainment (Discretionary)

Insights:

- Absence of insurance, investments, or emergency funds suggests a gap in financial planning and long-term security
- Rent is the highest contributor to expense,one should consider to adapt to a place which is less expensive.
- Discretionary spending, especially on clothes and entertainment, is substantial. These areas present opportunities for cutbacks during tight month.

- Introduce categories for protection-focused spending like insurance, savings, and SIPs

3. Monthly Net income vs expense:

Observations:

- Income is fixed at ₹4,000/month.
- Several months (notably April and May) show expenses exceeding income

Insights:

- Consistent income is a strength, but fluctuating expenses risk dipping into savings or incurring debt.
- Monthly variance suggests a need for dynamic budgeting with emergency buffers or controlled discretionary spend.
- Action: Implement category-wise caps and automate savings deductions in high-expense months.

4. Top 5 Transactions of the year:

Observations:

- Medical appears to be the biggest transaction of the year.
- Rent transactions appears four times.

Insights:

- Rent being a fixed monthly obligation should be benchmarked against income for affordability (ideal: <30%). If rent consumes more than 30% of your monthly income, consider exploring housing alternatives for better financial balance.
- A one-time medical bill ranked highest in the year — this validates the need to build or allocate to an emergency/medical fund or review your health insurance coverage.

5. Cost Saving By Month:

Observations:

- Earlier months shows struggling in savings could indicate annual recurring costs (e.g., rent, subscriptions) or poor start-of-year budgeting.
- In contrast, the last quarter exhibits a marked improvement in savings, suggesting either a more conscious effort to control expenses, receipt of year-end bonuses, or the cumulative impact of financial behavior adjustments made throughout the year.

Insights:

- The current trend illustrates a tactical, short-term approach to spending, where cost reductions are made as a response to financial pressure rather than through strategic foresight.
- While such reactive adjustments may temporarily stabilize finances, they fail to ensure long-term consistency or resilience.
- The evident month-over-month fluctuations in savings underscore the absence of a structured budgeting framework. This highlights the urgent need for forward-looking, data-driven planning, particularly in high-variability discretionary categories, planning of budgets every month to ensure more stable and optimized financial outcomes
- There is a critical need for forward-looking, data-driven budgeting, especially in discretionary categories that exhibit high variability.