

EXPENSE SENSE

A PERSONALIZED SPENDING PROGRAM



Financial Awareness and its importance.

Presentations are tools that can be used as lectures, speeches, reports, and more. It is mostly presented before an audience. It serves a variety of purposes, making presentations powerful tools for convincing and teaching.

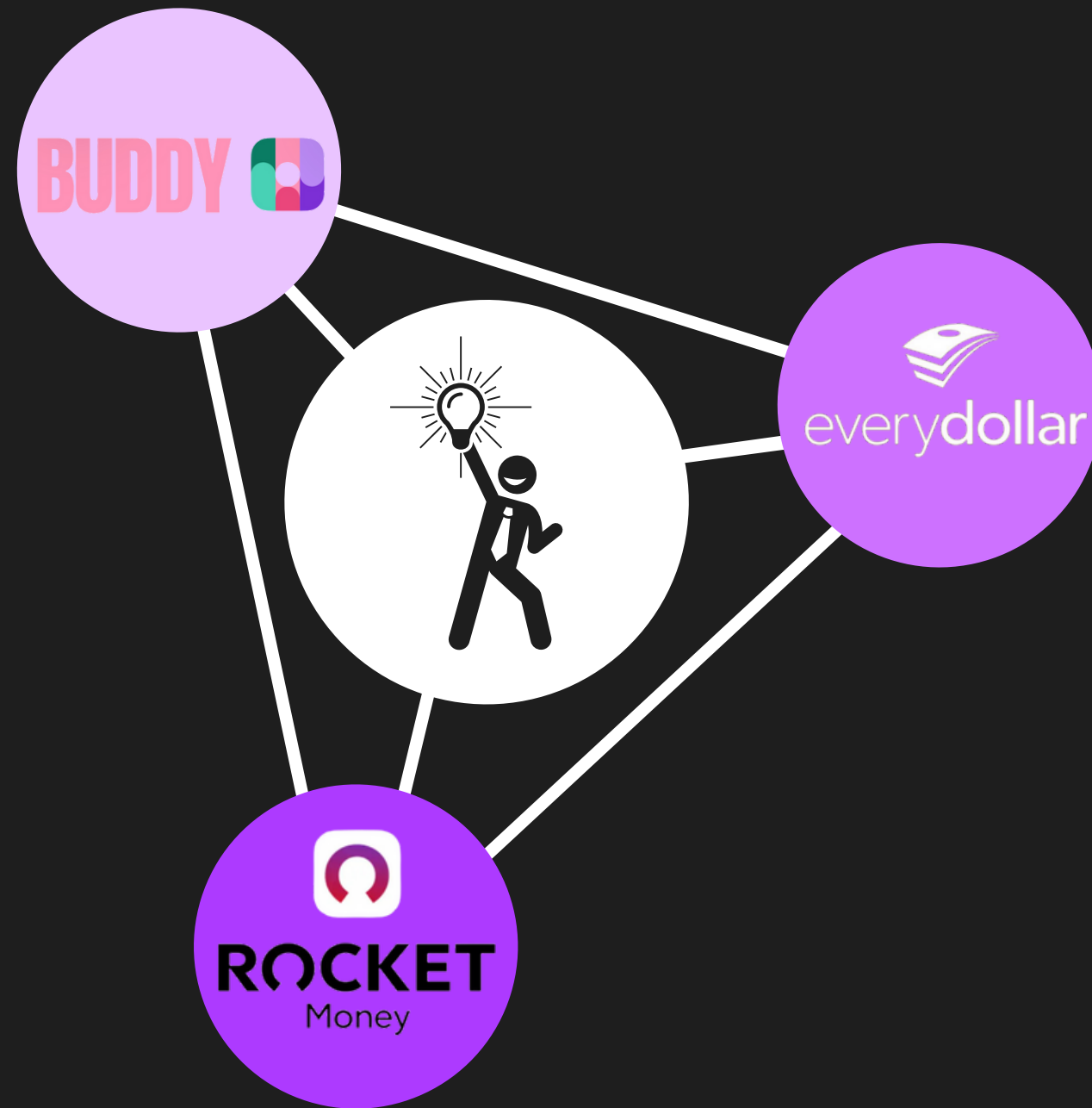
Presentations are tools that can be used as lectures, speeches, reports, and more. (Hastings et al.)

The History of the Problem



The concept of "financial literacy" became popular in 1997 when the Jump\$tart Coalition for Personal Financial Literacy conducted a study on high school students. They defined financial literacy as the ability to use knowledge and skills to manage financial resources effectively for lifetime financial security. Over the years, this concept has grown to include understanding financial products, key financial concepts, basic math skills, and engaging in financial planning.

Efforts to teach financial literacy started in the 1950s and 1960s when schools began including personal finance and economics in their curriculum. Private initiatives like Junior Achievement and the Council for Economic Education have also played significant roles. Despite these efforts, many people still make costly financial mistakes, highlighting the need for better financial education. (Coleman)



3 Current Software Solutions

- **EveryDollar:**
 - Offers straightforward budgeting with customization options.
- **Buddy:**
 - Focuses on shared expenses among friends.
- **Rocket Money:**
 - Provides comprehensive budgeting tools with added security features.

(“THE 10 BEST BUDGETING APPS FOR MAY 2023”)

Future Potential

Surveys like those from Jump\$tart and the Health and Retirement Study have improved how we measure financial literacy. These tools assess how well people understand key financial concepts like compound interest and risk diversification. Continuing to emphasize financial education is essential for helping people make better financial decisions and improve their financial health.(Coleman)



Real World Applications



Personal Budgeting

Track income, set and achieve financial goals

Debt Management

Manage interest rates, create repayment plans

Savings & Investments

Use compound interest, plan for stability

ExpenseSense's Potential



The proposed program aims to transform how users manage their finances. Users can input their monthly expenses, categorize them, and rate their need for the expense on a scale of 1 to 5.

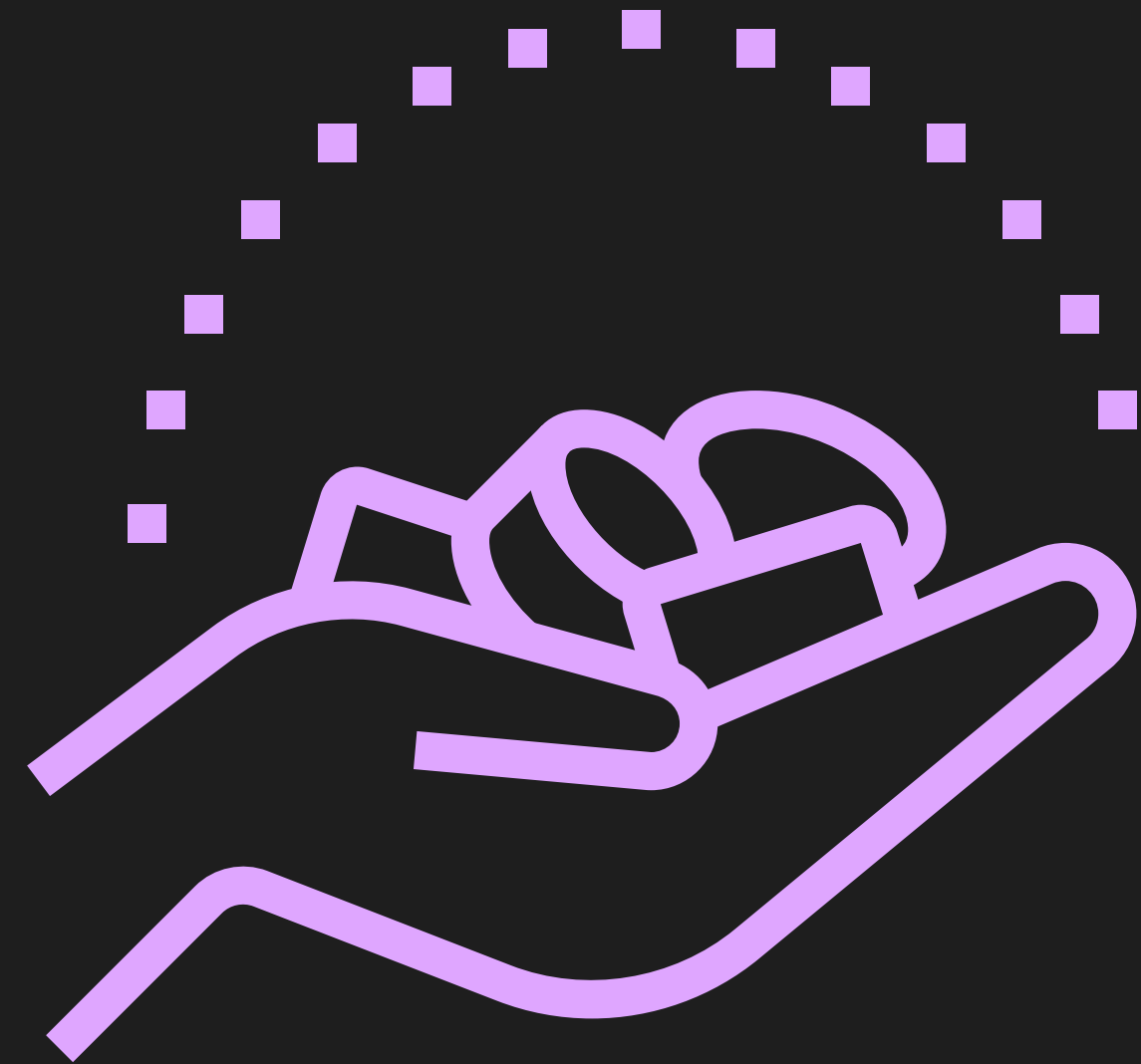
This personalized approach allows the program to analyze spending patterns and recommend which expenses to cut to increase savings. Incentivizing users to cancel unnecessary subscriptions by providing them with insights on how much they can potentially save annually if they choose to cut out the cost.

1. Input monthly expenses and categorize them.
2. For each expense:
 - a. Prompt user to rate necessity on a scale of 1 to 5.
 - b. Store expense and necessity rating.
3. Analyze spending patterns:
 - a. Calculate total monthly expenses.
 - b. Identify expenses with low necessity ratings.
4. Recommend expenses to cut:
 - a. Highlight potential annual savings for each expense.
 - b. Prioritize expenses with low necessity ratings and high potential savings.

How ExpenseSense stands out from Competition



While EveryDollar, Buddy, and Rocket Money offer valuable budgeting features, they lack the personalized recommendation system proposed in this idea. ExpenseSense provides insights into spending habits and identifies areas for potential savings by analyzing necessity ratings provided by the user on a scale of 1-5.



The Unanswered



1. I was surprised that so many people still make financial mistakes despite numerous education efforts and that current budgeting apps don't really offer personalized recommendations.

2. I want to know a little more about what strategies are most effective in incentivizing users to cancel unnecessary subscriptions. While my program incentivizes users to cancel a subscription by showing them the potential annual savings, I feel that there are other strategies out there that could be further implemented.

Resources



“The 10 Best Budgeting Apps for May 2023.” Fortune Recommends, www.fortune.com/recommends/banking/best-budgeting-apps/.

Coleman. “What Is Financial Literacy?” Edutopia, George Lucas Educational Foundation, 13 Oct. 2015, www.edutopia.org/blog/what-is-financial-literacy-lennette-coleman.

Hastings, Justine S., et al. “Financial Literacy, Financial Education, and Economic Outcomes.” Annual Review of Economics, vol. 5, no. 1, 2 Aug. 2013, pp. 347–373, www.ncbi.nlm.nih.gov/pmc/articles/PMC3753821/, <https://doi.org/10.1146/annurev-economics-082312-125807>.