GET INFO FREE · FREE GUIDE 01

The first year: putting your money in order

Budget, emergency fund, debts and automatic saving: a twelve-month path, with no magic formulas.

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EDITION 2026-10

IN THIS GUIDE

This guide is not about investing. It is about what comes first: knowing where the money goes, having a reserve, getting rid of expensive debt and turning saving into a habit. These are simple steps that require no particular financial products, and everything else depends on them.

01 Start from the real numbers

02 The emergency fund

03 Debts: which come first

04 Making saving automatic

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Educational and informational content only. It is not personalised financial, tax or investment advice, and it is not an invitation to buy or sell financial instruments. Numerical examples are hypothetical. All investments involve risks, including the possible loss of invested capital.

01

CHAPTER 1

Start from the real numbers

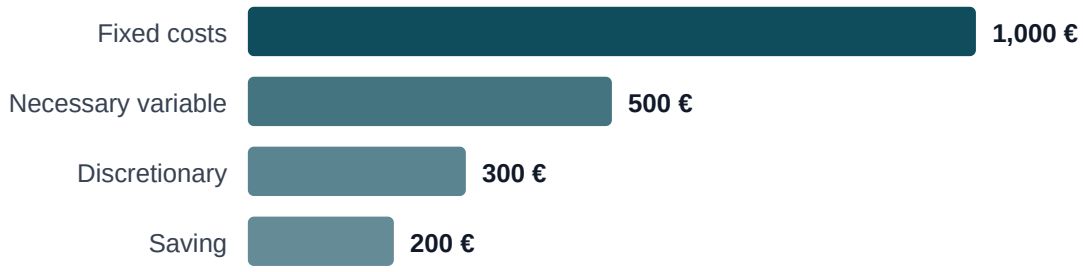
Nothing can be decided without knowing what comes in and what goes out.

Most people know exactly how much they earn and have only a vague idea of how much they spend. That is normal: income arrives once or twice a month, spending is dozens of small movements. But it is that vague part that decides whether anything is left at the end of the month.

The first job is therefore observation, not sacrifice. For two or three months everything is recorded: bank statements and the banking app do most of the work, cash is noted separately. Then each expense goes into one of three groups.

Group	What it contains	How much it can change
Fixed costs	Rent or mortgage, utilities, insurance, subscriptions, instalments	Little in the short term, a lot by renegotiating contracts
Necessary variable costs	Food, transport, health, school	A fair amount, with some attention
Discretionary spending	Leisure, eating out, non-essential purchases	A lot, but it is also what gives pleasure

Hypothetical example: how a net monthly income of 2,000 euros is split



The proportions are only an example for reading your own budget: there is no split that is right for everyone.

THE COSTS YOU DO NOT SEE

Taxes, car insurance, maintenance, gifts, holidays: they arrive once a year and wreck the months they fall in. Add them up, divide by twelve and treat the result as a fixed monthly cost, set aside in a separate account.

02

CHAPTER 2

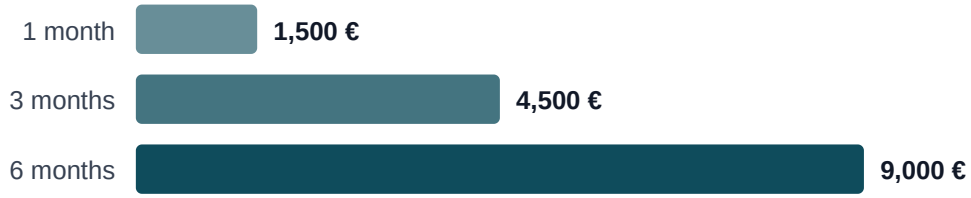
The emergency fund

The reserve that stops an unexpected event from becoming a debt.

A car repair, a medical bill, a few months without work. Unexpected events are not rare: they are certain, only the date is uncertain. Those who have a reserve get through them; those who do not must borrow or sell something at the worst moment.

Financial education materials often refer to a reserve equal to several months of essential expenses. Essential means the first two groups in the previous chapter, not your whole standard of living.

Hypothetical example: reserve for essential expenses of 1,500 euros a month



The right size depends on how stable your income is and on who depends on you.

Where to keep it

Only one feature matters: the money must be available at once and without losing value. That is why the reserve sits in simple, liquid products. Earning little is not a flaw: its job is not to earn, it is to be there.

> **DEPOSITS AND PROTECTION**
>
> In the European Union, bank deposits are protected by guarantee schemes up to 100,000 euros per depositor and per bank. The protection covers deposits, not investments: that is why the reserve is kept in deposit products. (Source: European Central Bank. Other countries have their own schemes and limits.)

- [ ] I have worked out my essential monthly expenses
- [ ] I have set a target (for example three months) and a date
- [ ] The reserve is in an account separate from everyday spending
- [ ] I know how quickly I can get hold of it

03

CHAPTER 3

Debts: which come first

Paying off an expensive debt is like earning a certain return.

Not all debts are equal. A low-rate home mortgage is one thing; a revolving credit card balance or an overdraft is another. The difference lies in the cost, and the number to look at is the APR, which includes interest and charges.

Type of debt	Typical cost	Repayment priority
Revolving credit cards, overdrafts	Among the highest on the market	Highest
Personal loans and consumer credit	Intermediate	High
Home mortgage	Generally the lowest	To be assessed case by case

A simple line of reasoning helps. Repaying early a debt on which you pay 15% is equivalent to earning 15% with certainty and without risk. No investment offers a similar certainty. That is why, when faced with expensive debt, reducing it comes before any other use of savings, apart from a small safety reserve.

BEWARE OF ANYONE PROMISING TO WIPE OUT YOUR DEBTS

Those who ask for an upfront payment to "clear" or "consolidate" debts with miracle formulas usually add a cost without removing the problem. Real solutions go through the lender, a renegotiation, or the free, impartial debt advice services that many countries provide.

04

CHAPTER 4

Making saving automatic

Anything that needs a decision every month will sooner or later be skipped.

Saving "whatever is left" rarely works, because at the end of the month almost nothing is ever left. The opposite works: decide on an amount, even a small one, and move it automatically to another account the day after your income arrives. What remains is the month's budget.

1. Choose an amount you can sustain without strain for six months in a row. Small and steady beats large and erratic.
2. Set up a standing order to a separate account, dated right after payday.
3. Give the account a name: "reserve", "holidays", "home deposit". A goal with a name lasts longer.
4. Every six months, or at every pay rise, nudge the amount upwards.

> *Saving is not what is left after spending: it is what you set aside before spending.*

05

CHAPTER 5

The twelve-month plan

One thing at a time, in the right order.

Months	Goal	Expected result
1–3	Record income and spending; list debts and their rates	Knowing your monthly balance
4–6	Start automatic saving; first month of reserve	A minimum cushion
7–9	Repay the most expensive debts; review contracts and subscriptions	Less interest paid
10–12	Bring the reserve to target; define the next goals	A solid base

Only at this point does it make sense to ask what to do with the savings that keep building up: that is the subject of the other guides in this series. And for decisions about your own situation, the reference remains an authorised adviser.

- [ ] I know my average monthly balance
- [ ] I have a reserve for the unexpected
- [ ] I have no high-rate debts
- [ ] I save automatically every month
- [ ] I have written down my goals with an amount and a date

TO CONTINUE

All courses, the glossary and the calculators are freely available at getinfofree.co, with no registration.

Institutional sources for further reading

- Financial Conduct Authority (UK) — Consumers — https://www.fca.org.uk/consumers
- ESMA — Investor Corner — https://www.esma.europa.eu/investor-corner
- European Central Bank — Explainers — https://www.ecb.europa.eu/ecb-and-you/explainers/html/index.en.html

Sources consulted for this guide

- Banca centrale europea — «What is a deposit guarantee scheme?» — https://www.ecb.europa.eu/ecb-and-you/explainers/tell-me-more/html/deposit_guarantee.en.html
- Financial Conduct Authority — «Protect yourself from scams» (agg. 19/01/2026) — https://www.fca.org.uk/consumers

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