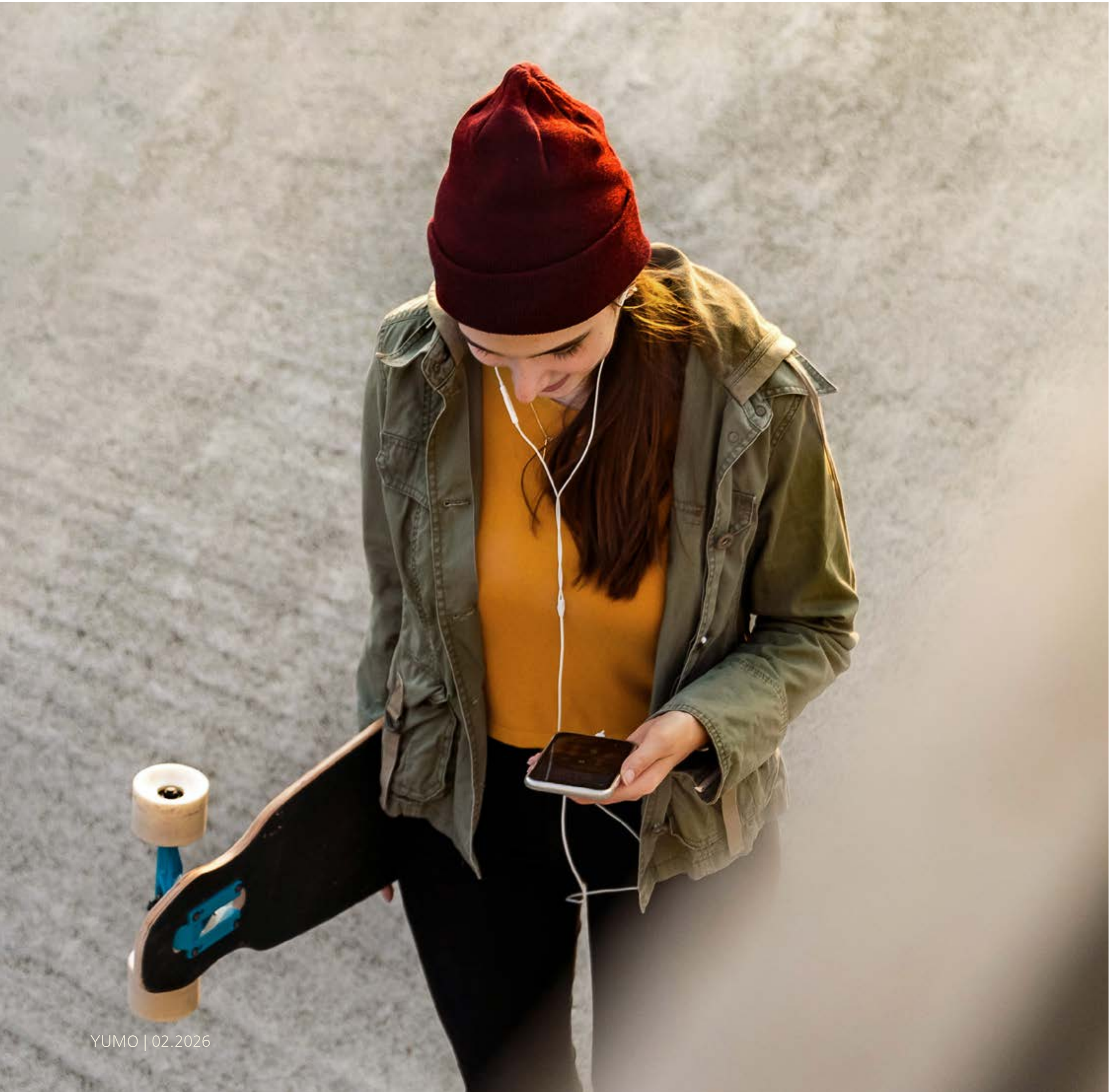
YUMC

by UBS

Solve your money mystery

Ditch the drama and master your money mindset

UBS



Match your money mindset to real life

Money may be a mystery to many, but you can solve it.

Ditch the drama, master your money mindset

Learn to spot your money patterns, break free from old scripts and build a financial life that fits who you are.

Money isn't a goal, it's a toolbox. Some people boast boxes packed with every tool imaginable. Others sport compact ones with just what they need. But it's not the toolbox that matters. It's what you build with it. The same goes for money. If you stop treating it as a goal but as a tool for getting stuff done, your perspective shifts.

Here's what's inside

Learn how your beliefs and emotions shape your money decisions. Understanding your mindset is the first step to gaining financial confidence.

Align spending and saving with your personal values. When your money supports what matters most, it feels more meaningful.

Learn to define what having "enough" money means for you. Setting your own standards helps you avoid the endless chase for more.

See how lifestyle inflation can derail your goals. Staying true to yourself keeps your finances on track.

Learn why capital is more than just money. Physical, financial, human, social and natural capital all play vital roles in economic growth and personal success.

Find out how pairing goals with intentions creates a roadmap for the life you want. Both are essential for lasting satisfaction.

Learning goals

Figure out how you actually think about money and what really matters to you.

Spot the money beliefs you picked up from family or TikTok… and check if they're even true.

Notice the emotions that make you spend.

Set goals that match the life you want, not what everyone else is doing.

A means to an end: freedom, security, opportunity

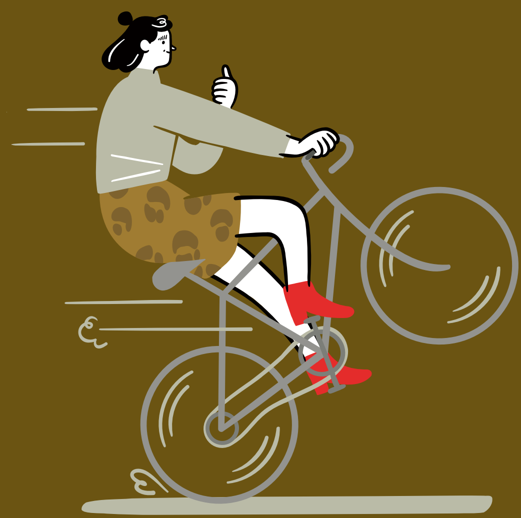
Money is a mystery to many of us, full of apparent contradictions. For example, we know we need money to lead a decent life. But it's also sometimes greedy to want it. We know it governs many big life decisions. But it's also sometimes rude to talk about it. We know money helps us perform acts of greatness. But it's also sometimes considered dirty. We know it's heartless to dwell on it. But it's irresponsible to ignore it.

> So money is a paradox. That's when two opposing things are true at the same time.

We know that money affects everything, but we're not sure what to do with it and how to feel about it. With all these contradictions, money remains a mystery. If that describes you, here's one practical way to start seeing things. Don't start by asking, "How can I get money?" Rather, ask: "What kind of life do I want, and what role does money play in making it possible?"

Building a healthy relationship with money begins with understanding yourself. How you think, how you react and what you're trying to do with your life. Your values and your feelings. Think of this as emotional literacy, but for your wallet. It starts with noticing your patterns, without punishing yourself for them. Just noticing. Do you stress-buy when work gets overwhelming? Put off paying bills because they make you feel anxious? Hoard money when life feels unpredictable? Spend more when you're tired, lonely or bored? These are signals. The key is to recognize them and know when they're healthy and when they're not, when they serve you, and when they don't.

Developing self-awareness doesn't mean judging yourself. It means getting curious about what's driving your behavior. Once you understand the pattern, you can start shaping it, rather than letting it shape you.



Separating net worth from self-worth

Let's set the record straight. Many of us have been programmed to think that our value is tied up in our wealth, that who we are as a person is reflected by the numbers in our bank account.

Society and the media don't help. We constantly see success represented by fancy cars, stylish apartments, chic designer clothes and enviable holidays.

That's a false narrative.

Your bank balance reveals only one thing about you: how much money you have in it.

It says nothing about your **kindness, creativity, intelligence or potential**. Your net worth and your self-worth are two entirely different things. And yet many of us subconsciously link the two. Yet when you detach your identity from your finances, you start making different decisions.

You consider things from a point of clarity instead of insecurity. You stop buying things to prove something, and you stop comparing your world to someone's social media feed.

And, ironically, you end up making smarter money moves because you're no longer ruled by fear, pride or envy.

> Money is a tool. You are a person. The two intersect, but they're not the same.

Picture two friends. Both have warm homes and decent jobs. But one always feels broke, even when she's not; the other feels flush, even when she has little in her bank account.
The big difference between them isn't how much money they have. It's the way they think about it. It's their mindset.

A scarcity mindset whispers: "There's never enough." It keeps you on edge, afraid to spend, afraid to invest and afraid to take risks. It's like living in permanent "low battery" mode.

An abundance mindset, on the other hand, says, "I can create more." It's having the confidence to chase your dreams and live without fear.
It's about trusting that your skills, time and effort have value.

That mental shift is liberating. One mindset shuts down options; the other opens them up. It's the difference between saying "I can't afford this" and "How might I afford this?"

Your money mindset

Adopting a positive mindset won't make you rich. But it will open your eyes to possibilities worth considering, possibilities you may have overlooked before. It's a framework for making informed decisions, not a guaranteed pathway to success.

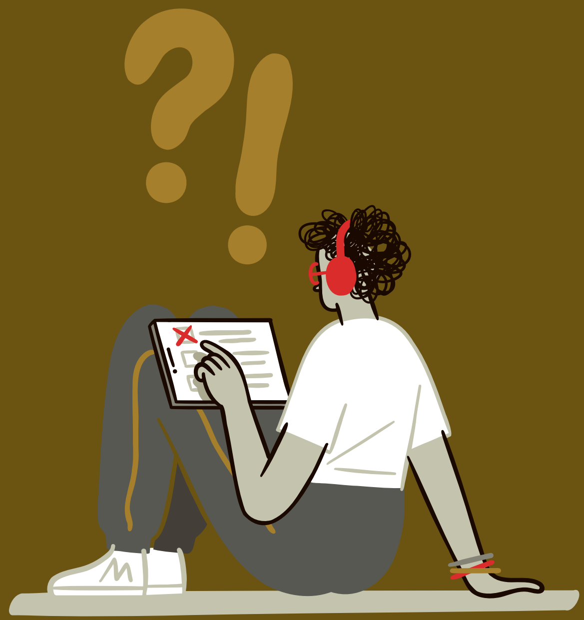
There are many more mindsets to explore.
Here are a few common ones:

Fixed vs Growth Mindset:
a fixed mindset believes your financial situation can't really change, while a growth mindset sees every setback as a chance to learn and improve.

Spender vs Saver Mindset:
a spender mindset finds joy in spending money now, while a saver mindset feels more secure setting money aside for the future.

Victim vs Ownership Mindset:
a victim mindset blames outside forces for money problems, while an ownership mindset takes responsibility and looks for ways to take control.

Which mindsets do you have?



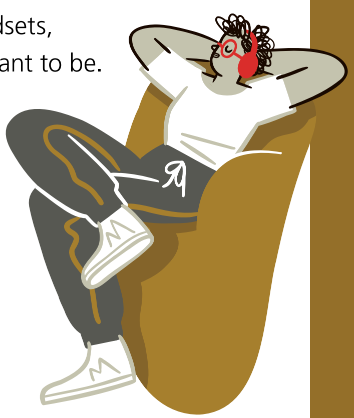
Understanding your money mindset

How do you relate to money?

Become aware of your personal money habits by noticing how you think, feel and react in everyday financial situations.

Instructions
Answer the questions and see what that reveals about your money mindset!

What this shows
Sometimes we make money decisions that fit with hidden scripts or mindsets, but not with who we really want to be.



When I think about money…

- **A** I worry there won't be enough.
- **B** I feel confident. I'll figure it out.
- **C** I don't think about it unless I have to.
- **D** It motivates me to chase my goals.

When I want something that I can't afford…

- **A** I feel frustrated and give up.
- **B** I look for a creative way to make it possible.
- **C** I wait to see if I still want it later.
- **D** I buy it anyway without thinking too much.

When I make a money decision…

- **A** I feel nervous. I'll regret it.
- **B** I trust myself because I learn from mistakes.
- **C** I ask others to decide for me.
- **D** I do it quickly and don't overthink it.

When friends spend money…

- **A** I compare myself to them.
- **B** I'm happy for them and stick to my own plan.
- **C** I feel like I need to buy the same things.
- **D** I encourage them to spend more than planned.

I mostly selected: A B C D

Select A | B | C or D

Recognizing inherited money scripts

Inherited beliefs about money play a big role in forming your attitudes toward money.

You didn't choose them. They landed in your brain at an early age.

Maybe you heard your parents argue about bills. Perhaps you learned that wanting money was greedy, that spending lavishly was frivolous, or that saving was the only virtue. Maybe you never had to think about money; it was always there. Maybe it was a dark secret. Or maybe your family talked joyfully about it, like about the latest football match. Or acted as if they could never have enough. Your culture adds another layer. Some societies equate success with stability, others with status or generosity. Recognizing these cultural filters helps you see which parts you appreciate – and which ones you might want to let go of.

Here are a few common attitudes to money, or scripts, that you might recognize:

"Money is bad."
Maybe you were told rich people are selfish. This belief can make you sabotage your own success.

"Lightening might strike."
You're afraid to spend in case you run short, so you always skimp.

"More is better."
You measure life by how much you've accumulated, not how satisfied you are.

"I'm just not good with money."
This can become a self-fulfilling prophecy.

"Money solves everything."
It doesn't. But it does give you more options.

These subtle messages become your money scripts: old stories that still play in your head even after you've become your own person with your own money. Well, many of them no longer apply.

No one is suggesting we can delete outdated scripts overnight. But we can start to notice and question them. Where did I learn this? Does it help me to be the person I want to be? Or does it hold me back? Are these beliefs even true?

Awareness leads to control

So often in life, growth starts with awareness. Money is no different. It's important to be aware of our money emotions. Because our decisions aren't always logical.

Let's start by looking at an emotional pattern: joy vs boredom.

Joyful spending is when you buy something that genuinely enriches your life – a dinner with friends, a weekend away or equipment for a hobby that relaxes you. It's spending that brings happiness, great memories and lasting satisfaction. Bored spending is the mindless tap-tap-tap of contactless payments – the third coffee you didn't even taste or the random gadget you'll forget about next week. It's spending that brings no joy and no benefit. That's wasted money.

Let's take it a step further. Stress, fear, guilt, pride and shame might sound like the seven deadly sins. But when it comes to money, they're just emotions to keep an eye on.

Stress comes from uncertainty and not knowing where your money's going. Facing it head-on – checking your bank account balance and making a plan – usually reduces it.

Fear keeps you stuck. You might be afraid of losing money if you invest, but not investing can cost you more in missed growth.

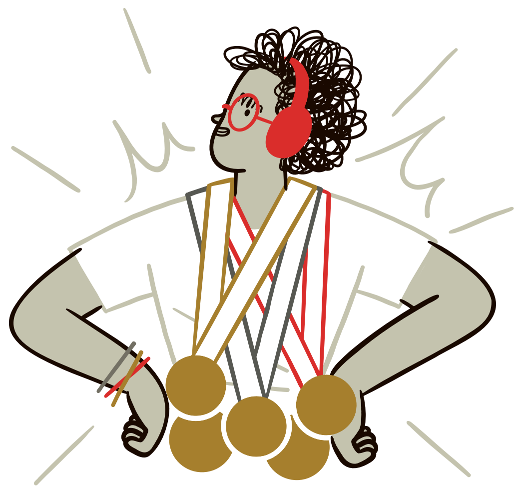
Guilt often follows impulse spending. Learn from it.

Pride can be healthy when it motivates good habits, but watch out for pride that hides problems ("I don't need help").

Shame is the heaviest. It says "I'm bad with money, so why even try?" But is that really true? Remember that money isn't a test of moral character. It's a skill – something that you can learn.

These are just some of the money emotions you might feel. Ask yourself: "When I spend, how do I feel? Am I chasing comfort, excitement or validation? Or something else? When I save, is it out of fear or with a sense of purpose?"

Think about something you spent money on recently, such as a day trip or a gift for a friend. Take a moment to reflect on how spending the money made you feel. Naming your emotions can help you understand them (whereas ignoring your feelings gives them more power). When you acknowledge how you feel, you put yourself back in control.



Time to reflect: identity, values and your relationship with money

So far we've looked at how we feel about money; our attitudes, scripts and emotions. Now let's look at aligning your finances with your values. Your values are the things you hold most dear. Let's put a few of them on the table.

Start by asking what matters to you. When have you felt your happiest or most fulfilled? What were you doing and why did it matter? Think about the people you admire and the qualities they embody. Is it courage, beauty or kindness? Intelligence, fame or success?

> Make a list of what's truly important to you, whether it's freedom, learning, family, adventure, or something else.

Don't rush this part; your values are personal. Taking time to identify them will help you make money decisions that support the life you want.

Now start connecting your money habits to those values. Where are you spending? When do you save? How do you generate income?

Every choice you make with money says something. Buying a plane ticket to visit a friend? You're investing in friendship and connection. Signing up for an evening class? That's a vote for education and growth. Paying for a bigger apartment so you can start a family? Comfort and life projects. Taking a second job? You value security.

Explore whether your money habits line up with your values. They likely do, to some degree. But you could probably make a few changes.

The problems start when your spending reflects someone else's values – perhaps your parents', your friends' or those of an influencer with a gorgeous penthouse.

That's when money stops supporting you and starts pulling you in directions you didn't choose.

A good rule of thumb is to ask: **does this decision move me closer to the person I want to become?**

Defining “enough”

Once you’ve explored your values and connected them to your money habits, you can start to define how much money is “enough”.

This is a tough one, because more feels better. Most people never define it, so they keep chasing more. More money, more stuff, higher status. They’re never satisfied, because they’re always seeking more.

The concept of “enough” is personal and it changes over time. It might mean earning enough to not stress about paying the rent. It might mean saving enough to cover three months of living expenses. It might mean being able to go diving with your friends once a year. Or it might mean the freedom to switch to an easygoing job that pays less. Or hey, why not, it might mean buying a yacht. It’s up to you.

So how should you define it? A helpful exercise is to make three lists:

1. How much I need to feel safe: What can I not do without? What costs are essential? What would make me feel secure in a crisis?

2. How much I need to feel fulfilled: What makes me feel proud, energized and satisfied? What would I regret not doing?

3. How much I want to enjoy: What brings me joy, comfort or excitement? What treats or luxuries make life more interesting?

Your answers can help you define your goals and intentions. Both are important.

Goals are practical: “Save CHF 200 a month.” Or: “Save enough to buy a new racing bike.”

Intentions are personal: “I’m saving 15% of my salary because I need to retrain for AI.” Or: “I’m taking a second job now so I can spend six months in Bali next year because I crave yoga and surfing.”

Goals tell you what to do. Intentions explain why they matter. You need both. Goals keep you moving; intentions keep you aligned with who you want to be. When you combine the two, money stops feeling like a test. It starts to support the life you want.

Stay on course

You've done a lot of thinking in this section: you've explored your money mindset, your scripts and your attitudes.

You've become aware of your money emotions. You've set out your values. You've started to define "enough" and you've explored goals and intentions.

These discoveries will form a roadmap. They'll tell you where you want to go and, just as importantly, when you've reached your destination.

But watch out. **Your brain is wired to compare.**

It's a survival instinct from the caveman era: "They have more firewood than we do. Are we safe for the winter?"

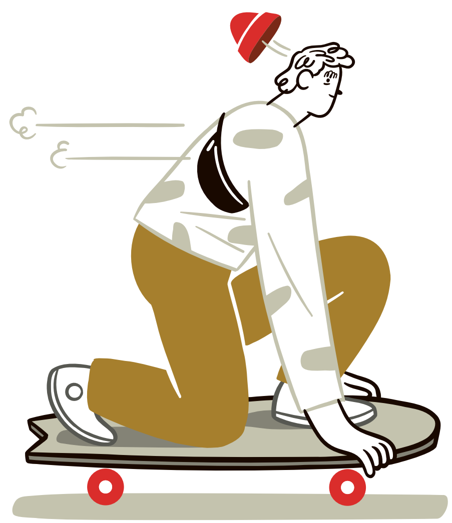
Today, the firewood is apartments, cars, fashion and holidays. And the algorithms on social media are constantly showing you pictures and stories about other people's firewood. Your colleague buys a new snowboard and suddenly yours feels outdated. A friend moves into a nicer apartment and now your place seems small.

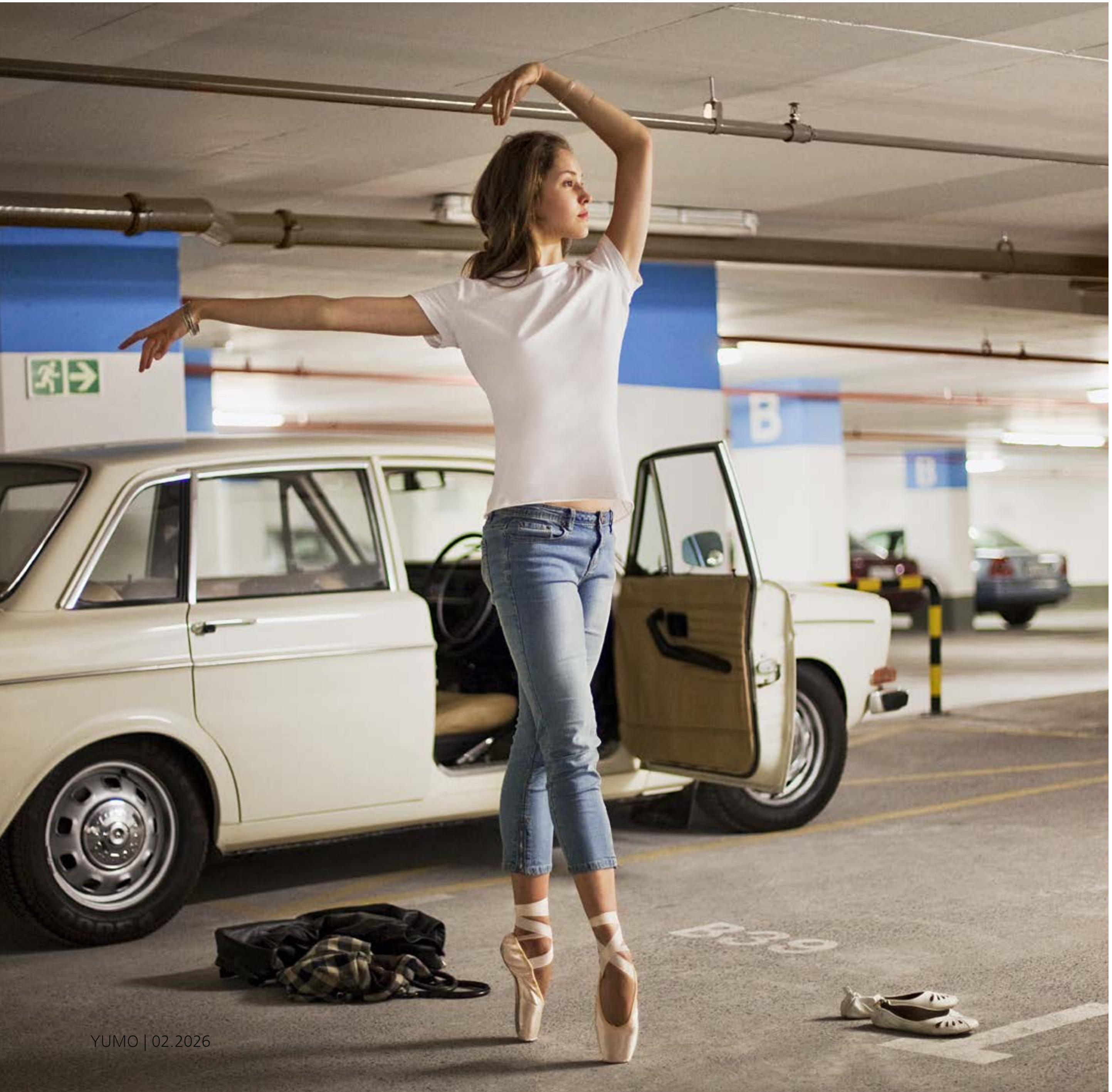
That status pressure is real. So is **lifestyle inflation or lifestyle creep**, which is when your spending rises every time your income does, but without you even noticing. Soon, more is not enough. This can trap you in a cycle where you always feel like you're behind, even when you're earning more than ever.

Worse, the chances are that you're spending money on random things you don't really want or need. The important thing is to increase your spending consciously, with intention, and to increase your savings rate, too, when your income rises, not just your spending.

Focus on your values, not someone else's social media feed. Know when enough is enough so that you can put your energy where it matters most.

Money may start as a mystery. But it can become a tool that helps us realize our values.





Budgeting: how to say "yes" to your dreams

First let's talk about earning money, then how to blow it all. Or not.

Budgeting: how to say "yes" to your dreams

Freedom requires more than ambition. You need to know where you're going and have a plan to get there. A few budgeting skills can speed you on your way.

It also helps to know how to avoid the traps. Together, they can help you create the freedom to live life on your own terms.

Here's what's inside

Learn how income can come from jobs, gigs, side hustles, scholarships and allowances. When you know how money flows in, you can better manage it.

Find out how take-home pay forms the basis for a personal budget. Once you know what you have to play with, you can make smart choices about how to shape your life.

Discover how budgeting lets you balance needs, wants, savings and fun. A good budget isn't about saying "no" but making sure you can say "yes" to what matters most.

Spot emotional spending and lifestyle creep. See how check-ins keep your goals on track. With a little self-awareness, you can dodge sneaky spending traps and master your finances.

Learning goals

Figure out what you actually keep after deductions, taxes and insurance.

Learn to budget to afford the fun stuff and stay out of money stress.

Spot the traps like sneaky costs, emotional shopping, and marketing tricks before they wreck your plans.

Stay on track with a rainy-day fund.

What is income, really?

What does "income" mean to you? It may be a paycheck. You go to work, do the daily grind, and once a month it's all worth it when the paycheck lands. That's a classic, predictable form of income: a regular salary.

> But there are many more types of income. You could be a freelancer, self-employed or an entrepreneur.

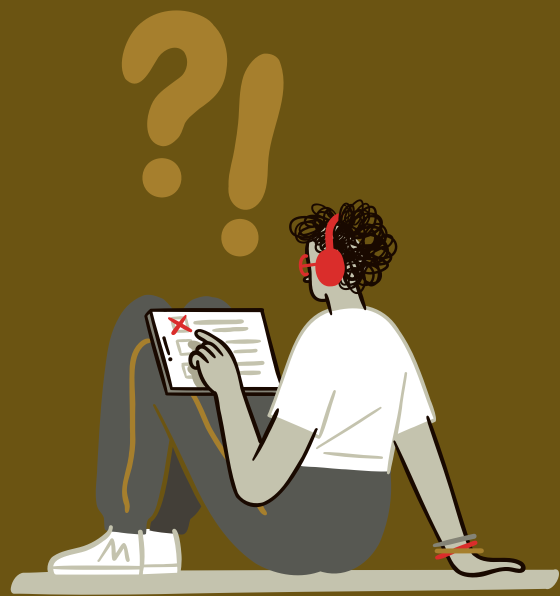
You're your own boss. You receive income from your clients, and it may vary from month to month. Take a freelance photographer for instance: she might have a busy summer working weddings around Switzerland, then go traveling when things turn quieter in winter.

Then there's "gig" work: temporary jobs to fill income gaps. It could mean hustling for a food delivery app, temping for secretarial agencies, being a bartender or waiting tables, working summer farm jobs, doing childcare, or assisting short-term for small businesses. Gig work is great when you need some extra cash or a bridge to something steady. But it may lack the security of a traditional job. If you get sick and can't work, you probably won't get paid.

But work isn't the only source of income. If you're a teenager living with your parents, you may get an allowance. If you're a student, you might receive a scholarship or a stipend.

Some people receive government benefits. And retirees live off pensions or income from investments, which means that they no longer have to work for income.

So income could be a lot of different things.



Understanding income: deductions and taxes

The main thing about income is what you do with it when you've got it. That calls for budgeting, or a simple plan mapping income to goals and then to expenses.

Budgeting means deciding where your money will go, instead of scratching your head and wondering where it all went. Let's break it down, starting with income.

Whatever the source, there's probably a big difference between what you get paid and what arrives in your bank account.

A payslip starts with gross income and then removes taxes (if you're taxed at source), payroll deductions such as unemployment insurance, pension contributions including AHV/AVS payments, and other mandatory deductions. That's your net income. That's where you start.

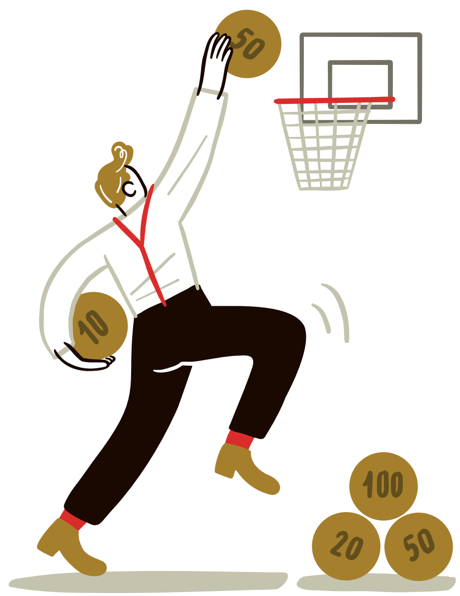
Now we need to calculate your take-home pay, which is how much you actually have in your pocket to spend. To get there, deduct health insurance premiums from net income, because in Switzerland they don't come out of your paycheck. If your income taxes aren't deducted automatically from your paycheck (taxed at source), you'll need to estimate those and set those aside, too.

> This is your take-home pay, how much you actually have in your pocket to spend.

It removes income taxes, mandatory payroll deductions and health insurance, to arrive at a number that reflects the income available to cover your living expenses, savings and debt payments. Take-home pay gives you building blocks for budgeting.

If you don't receive a regular paycheck, planning becomes even more important. Your income may vary widely from month to month, even if many monthly bills such as rent or health insurance stay the same.

You'll need to save more during the good months to weather the weaker ones – or look for other ways to earn money.



Deductions: where does my money go?
Ever looked at your payslip and wondered why a big chunk disappeared? You're not alone. But you can rest assured easy, as salary deductions are designed to keep you safe and healthy, supporting you in times of misfortune, illness and unemployment and into old age. Let's break it down:

Social Security (AHV, IV, EO)
This is the state pension or first pillar. The system works on a pay-as-you-go basis: money from workers goes straight to retirees and also covers income loss in case of disability. 5.3% of your salary goes here, and your employer chips in the same.

Pension Fund (BVG)
This is the "second pillar" of Swiss retirement savings. Depending on your age, usually around 7% to 18% of your "insured" salary gets tucked away and invested here. You pay half, your employer pays half. At retirement, you get a monthly pension or a lump sum.

Unemployment Insurance (ALV)
If you lose your job, you get temporary support from a fund that all employees and employers pay into. This insurance covers your lost income up to a limit.

Accident Insurance (UVG)
If you work more than 8 hours a week, you'll see a deduction for non-occupational accident insurance (NBU, or Nichtberufsunfallversicherung). That's your "Oops, I broke my leg skiing" insurance. It covers accidents outside of work, and the cost depends on your job. Accidents at work are covered by your employer, so you don't pay for that part.

Other stuff
Union fees if you're a member, maybe some insurance extras, and if you're not Swiss, possibly withholding tax. Check your payslip for the full menu.

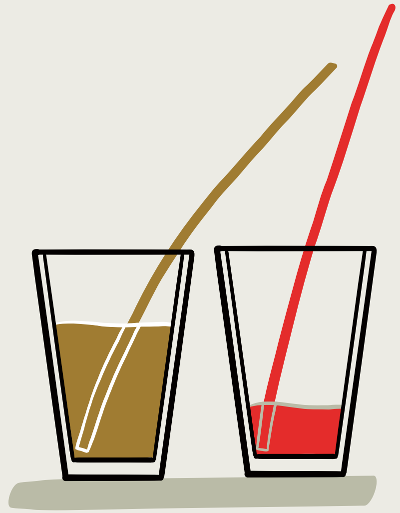
But I'm self-employed!
That means you're responsible for managing all the important stuff. You'll need to devote around 25% of your income for social security (AHV) and taxes.

Accident insurance? That's on you, too. And don't ignore retirement: there's no automatic pension fund, so you can voluntarily join a pension fund for the second pillar, for example through the Substitute Occupational Benefit Institution.

You'd have to pay both the employer and employee contributions yourself but you can deduct these payments from your taxable income up to a certain percentage of your earnings.

Better a cushion than a crunch!

If you add it all up, a self-employed Swiss person can expect to set aside 35% to 40% of their income for all mandatory deductions plus voluntary retirement. Self-employment offers freedom but you need to plan carefully to avoid getting caught off guard.



Budgeting methods: rent and ramen

Budgets let you take charge of your money to build the life you want. Budgets help you meet your goals and stay independent. But if you're doing this for the first time, it could be a little uncomfortable, the same way a new fitness routine hurts so good. But soon, budgeting is going to feel great.

A budget is like a personal trainer: it keeps your spending in shape, stops your cash from sneaking off for midnight snacks (hello, online shopping), and helps you flex those saving muscles on things you truly want. It's not about saying "no" to fun. It's about making sure frivolity doesn't wipe you out!

There are countless ways to budget. We'll look at four of them below:

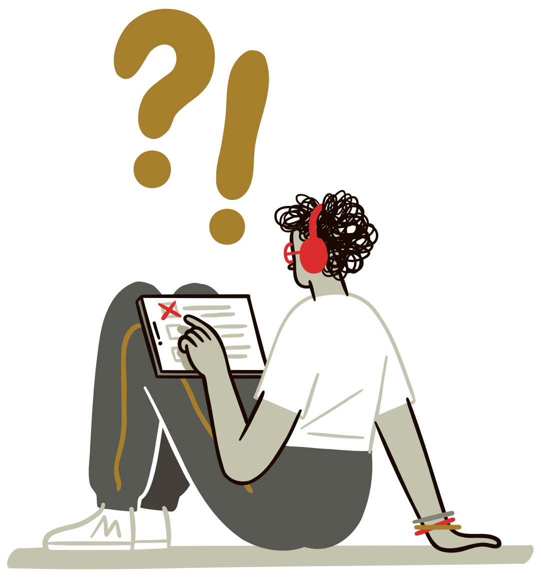
50/30/20
great for beginners with a stable income

Zero-based
for detail-oriented freaks or those with variable income

Pay-yourself-first
for people who want to save

Values-based
for those who want their money to reflect their priorities

Let's break down each approach separately.



The 50/30/20 budget rule: starter pack
Think of the 50/30/20 rule as the starter pack to shape your financial life without a spreadsheet.

Here's how it works: Start with your take-home pay and allocate expenses like this:

50% for needs: rent, utilities, basic groceries, transport, debt payments, liability and car insurance, wifi and mobile phone, essential health costs, Serafe and any other taxes or fees, basic clothing, childcare. It's the non-negotiable stuff.

30% for wants: eating out and drinks with friends, presents, streaming and other subscriptions, gym memberships, hobbies, beauty treatments, home décor, holidays and travel, ski pass, fun fashion, bling, fancy food and delicacies, takeaway coffee and food. It's the fun stuff.

20% for savings: building a "rainy-day" fund, voluntary retirement like Pillar 3a, investments, extra debt payments, contributions to a child's education fund, and targeted savings for future goals like education or a downpayment on an apartment. Your future you will thank you.

This is a top-down approach for people who have enough income to cover the basics but need a little help organizing the rest. If you're not sweating every franc, it's a great way to keep your money working for you.

It's also a great rule of thumb for beginners, or anyone who wants a budgeting system that's as easy as ordering a pizza.

> The three big buckets make it simple to see whether you're living within your means and help you balance fun now with security later.

The great thing is that the plan is flexible. If your needs gobble up more than 50% of your take-home pay, you can tweak the percentages to fit: maybe make it 60/20/20 for now. You may then consider finding a cheaper flat, getting a roommate, or boosting your income with a side hustle.

But watch out! This method can trigger some hot debates about "needs" and "wants". Where do you put pet food? Is your gym membership a need? Creating a budget helps you take a life inventory.

Zero-based budgeting: total control
Zero-based budgeting is perfect if you want to be more intentional with your spending, whether you're saving for a big goal, paying off debts, or just tired of wondering where your money went. It's more precise than the 50/30/20 rule, because you decide exactly how much goes where.

In this approach, you start with your take-home pay and assign every franc a job until you've got zero left. That's why it's called "zero-based", because you "spend" every franc at the start of the month before it leaves your account. So you might earmark CHF 1,200 for rent, CHF 400 for groceries, and keep going until you run out. It requires discipline but it's super precise and helpful for people with variable incomes who must plan for every franc.

Start by covering your must-haves: rent, taxes, utilities and other fixed bills. Then, divvy up what's left into categories that fit your life: groceries, transport, savings, fun, travel, you name it. As your goals or income change, your budget can change, too. If you want to spend more on travel this month, just move some money from your "clothes" category.

Zero-based budgeting isn't about restrictions, rather clarity, control and making your money work for you.

Pay yourself first: great for saving
This approach helps you save for something big. It's a set-and-forget trick where you move money to your savings goals the moment your salary arrives. You put your future self first. It's a great hack for anyone who just can't resist dipping into available cash. It's a painless way to add structure to your financial life.

Here's how to play: as soon as your paycheck lands, you immediately transfer a set amount to your savings before you have a chance to spend it. For example, if you want to save CHF 600 a month for your Pillar 3a and CHF 100 for a dream trip, you set up an automatic transfer right after payday.

The beauty is that saving happens on autopilot. Once your savings are tucked away, you can spend the rest of your income on rent, groceries and a little guilt-free fun, because you've already looked after your future self.

Of course, if you're on a tight budget or want more structure, "pay your future self first" can feel a bit too relaxed because it focuses on savings and kind of ignores everything else. You still need to keep an eye on spending.

But for most people, "pay yourself first" is the lazy way to save: set it up once, let it run in the background, and watch your savings grow.

Values-Based Budgeting

If you've ever looked at your bank statement and thought, "Wait, did I really spend that much on stuff I don't even care about?" then values-based budgeting might be your new best friend. This approach is all about spending with intention, making sure your money goes toward what matters.

Here's how it works: First, calculate what you need to cover your basics – rent, groceries, health insurance, taxes, the usual suspects – and set that aside. Then, instead of letting the rest of your cash disappear on random purchases, you assign it to things that line up with your personal values. Maybe that's education, health, creativity, nature, or community.

> The key is to devote resources to things that reflect what's important to you.

If you've done the YUMO activity on identity and values, you're already ahead of the game. Let's say "family" is a top value. You might set aside money each month for train tickets to visit your parents, or for family outings. If you're all about "creativity", maybe you budget for art supplies or a dance class. Your spending will feel more meaningful.

But heads up: this method is less structured than the others because it doesn't give you strict categories, fixed percentages, or a detailed plan for every franc. It rather centers around themes. It's more about the "why" behind your spending. It takes some self-awareness and regular check-ins to make sure you don't overspend.

Values-based budgeting is perfect if you want your money to reflect who you are and what you care about. It's mindful, motivating, and can make every franc feel like it's working for you, and not disappearing into the void.

You don't have to pick just one method: mixing and matching can give you the best of all worlds. Maybe you use the 50/30/20 rule for a big-picture overview, but assign every franc in your "wants" category using zero-based budgeting. You might automate your savings with the pay-yourself-first approach, while also making sure your remaining spending reflects your top values.

The beauty of budgeting is that you can tailor it to fit your life, goals, and personality and build a system that works for you. Remember to take baby steps and keep adjusting your budget over time.

Still, even the best budget can get derailed.

That's often due to unrealistic ambitions. Remember to keep it realistic. There's no point in spending hours crafting a budget only to drop it in two weeks. Set goals that are "SMART": Specific, Measurable, Achievable, Relevant, and Time-Bound.

This goal isn't SMART: "Save up for summer vacation". This one is: "Save CHF 500 by July so that I can visit my friend in Berlin, traveling by train, dining out, and bringing a gift for my friend." If it's January now, you'll have to save CHF 100 per month over the next five months. If that seems doable, the goal is achievable.

Budget busters and wiggle room

Sometimes there are sneaky expenses. It's easy to plan for rent and groceries but what about health insurance deductibles, car repairs or a friend's wedding in Ticino? These costs can blow up your budget if you don't see them coming. The fix: make a list of all your non-monthly expenses like dentist visits, holiday gifts, or subscriptions and set aside a little each month in a separate "irregular expenses" fund so you're ready when they pop up.

Then there are true emergencies: There are big ones such as an accident, illness, job loss or family break-up; and little ones such as your laptop dies or your bike gets stolen. Imagine you suddenly need to find a new apartment. You'll need money to fund the move, to put down a deposit, and so on.

That's why it's smart to build a "rainy-day" fund, even if it's just one month's living expenses to start. You can build it up slowly to cover your basic monthly costs like rent, health insurance, groceries, transport, and other unavoidable bills for at least three months and ideally up to six. Building a "rainy-day" fund is central to financial planning. Keep it in a separate account so you're not tempted to dip in for everyday spending.

Another common pitfall is underestimating your "wants". We all love a spontaneous night out or cheeky online shopping and if you don't budget for fun, you'll end up overspending. Be honest about your lifestyle and add a "fun" category to your budget.

Budgets also go off the rails when you don't track or review them. Pick a regular date to check in, whether that's weekly or monthly, using an app, spreadsheet, or even a notebook.

Watch out for lifestyle creep or lifestyle inflation: It's that urge to upgrade every time your paycheck gets a little fatter. But before you spend that extra CHF 500 a month on a pricier flat, pause and ask: do I really need this right now? Maybe your current place is just fine. Maybe try this instead: with every raise, apply the 50/50 rule and spend half on "present you" and stash the other half for "future you" by saving, investing or topping up your Pillar 3a. Think twice before committing to bigger monthly bills.

Finally, don't be too rigid. Life changes, and your budget should too. Adjust your plan as your goals, income, or priorities shift. Plan regular budget check-ins, where you review income and expenses. Use the automated spending analysis tools on your banking app to see where your money is going. Budgets aren't about perfection; they're about progress.

Emotional spending triggers

So now you have a budget that works for you. The next step is to protect yourself from temptation. The guilty party is often dopamine: that little rush when you click "add to cart", or when you stroll into a store looking for trouble and then walk out with something shiny and new. It's pure bliss for about five minutes. Then it hits: you didn't really need that cap or lip gloss or new headphones.

That could be emotional spending. It's sneaky and seductive. It shows up when you're stressed, bored, lonely, or hyped. It feels like the right thing in the moment.

But later? Buyer's remorse and a bruised budget.

If you've ever done this – and who hasn't? – then you're normal. But emotional spending is something we want to identify, so we can choose whether to control it. For some people it's meaningless fun. For others it can be a serious problem.

A little curiosity can get you started. Start by spotting your triggers. Is it Friday night after work? Hanging out with friends who love to splurge? Or maybe the opposite, like a lonely afternoon? Or maybe when you're tired and craving a pick-me-up?

Next time you make an unplanned purchase, pause and take note. Maybe write it down. The more you understand your patterns, the easier it gets to break them and build healthy habits that support your goals and your bank account.

Of course, you can spend on yourself if you want. Of course you should celebrate important stuff: a passed exam, a new job, a birthday. Just do it intentionally, not frivolously. Your future self will thank you.

Hacks for reducing emotional spending
Spending because you're stressed or hyped? We've all been there. Try these quick tricks to keep your cash and still feel good:

The 24-hour rule: Before you hit "buy", wait a day. If you still want it, go for it. If not, congrats. You just saved yourself some regret.

The mood boost: Feeling low? Do something actually proven to lift you up: play your favorite playlist at max volume, grab a coffee with a friend, hit the gym, get outdoors in the sunshine or plan a dinner with friends.

Fun budget: Give yourself a guilt-free spending allowance each month. When it's gone, it's gone. You can treat yourself without wrecking your savings.

Shop your closet: Before buying more, check what you already own and declutter. Go through all your stuff. Taking stock helps us to appreciate what we have.

Wishlist it: See something you love? Screenshot it or add it to a wish list. If you still want it in a week, then decide. Spoiler alert: most of the time, you won't.

Engineered temptation: online marketing

Emotional spending is already tricky. Digital marketing makes it harder to resist. But with a little curiosity you can beat the algorithm. Just like social media platforms, stores' websites and retail apps are designed to pull you in with endless notifications and promotional offers.

Ads are everywhere: in your inbox, on your scroll, and on almost every web page. Buying is a tap away. See that hip raincoat? Click. Done.

Marketers know how to push your buttons. Here are their favorite tricks:

Scarcity
"Only 2 seats left!"
Translation: panic-buy now or live with regret forever.

Urgency
Countdown timers screaming "Sale ends in 6 hours!"
Spoiler alert: the sale will probably be back next week.

Anchoring
"Was CHF 179, now CHF 99!"
That first number makes you feel like you're winning, even if CHF 99 was the real price all along.

These ploys work because they tap into hardwired psychological triggers, such as FOMO, which override rational thinking and push you toward instant gratification. Even when you know it's a ploy, it still triggers that "buy now" impulse.

> So next time you see a flashing timer, take a breath.
> It's marketing. It's a trick.

To gain more control, delete store or shopping apps, unsubscribe from retail mailing lists, and don't store your payment details on a vendor's website. Those "1-click purchases" are hard to resist.

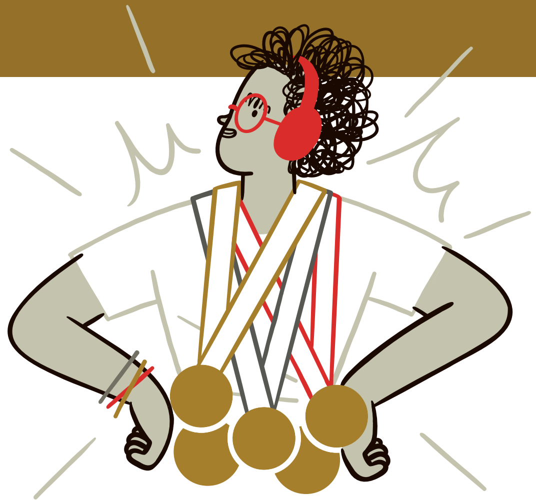
Make a list of items you intend to buy – and stick to it to avoid impulse purchases. You may even want to try good old-fashioned cash. Sure, you'll feel like a dinosaur, but you'll physically see and feel how much money you have.

Finally, big businesses increasingly push subscription plans for everything from video streaming to monthly coffee bean delivery.

Take a moment to go through your bank account transactions from the past month or two and get an overview of your subscriptions.

Do you still want them all?

Budgeting: killjoy or toolbox?



Budgeting isn't about penny pinching or killing fun. It's about realizing who you really are, knowing what you've really got, making it work for your goals, and building a life that feels like you.

Whether your income is steady or sporadic, pick the budgeting toolbox that fits you, watch out for sneaky expenses and lifestyle creep, and remember to monitor your expenses. Progress, not perfection, is what counts.

Give yourself some wiggle room, celebrate your wins, and let your money help you live the life you want.

Understanding budgeting

Create your own budget

Fill in the budget template and gain clarity about your personal finances to plan your future

Download smart template

Personal reflection

1. What did you learn about your spending patterns or habits that you didn't notice before filling in your budget?
2. Based on your current financial picture, what is one realistic change you can make to better support your future goals?

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