THE GEN Z guide to financial sanity in your 20s

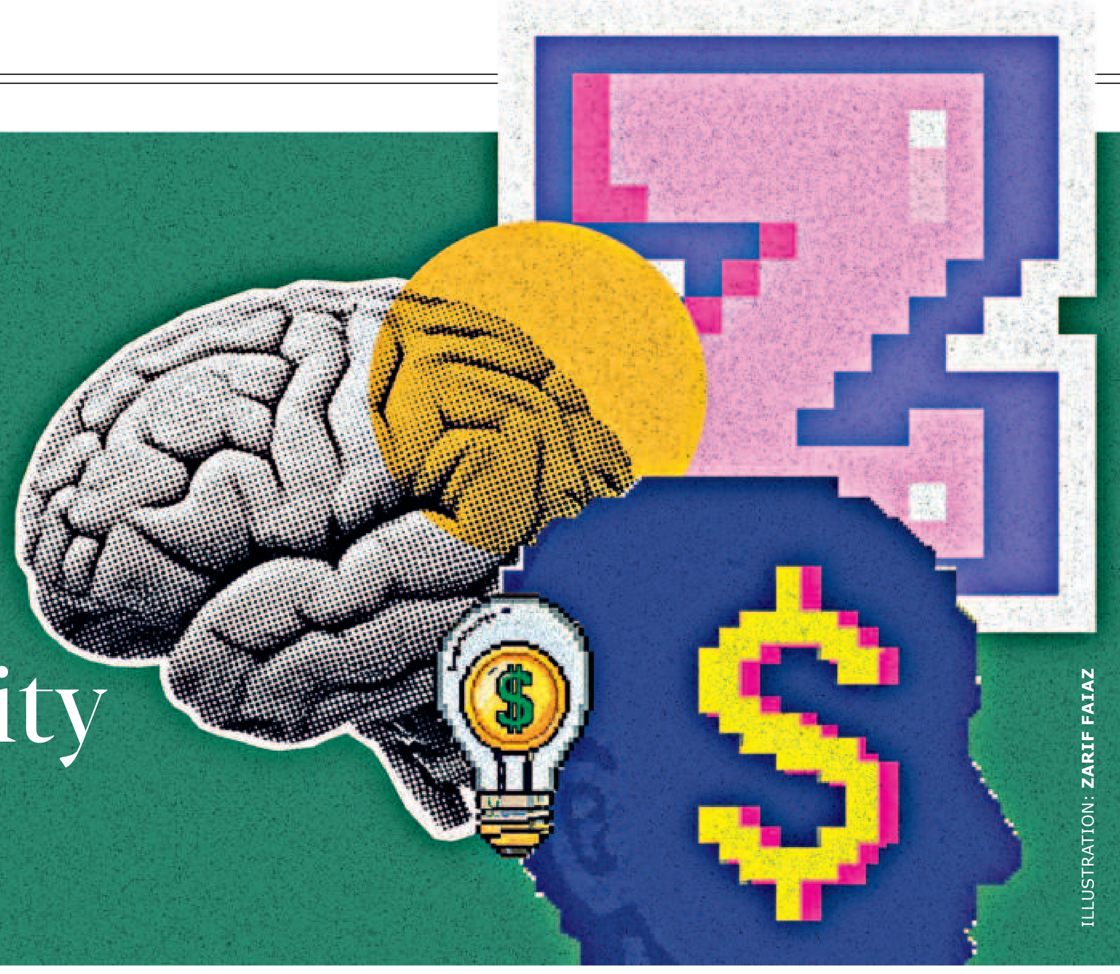

ILLUSTRATION: ZARIF FAIAZ

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MAISHA ISLAM MONAMEE

Financial sanity in our twenties is not about becoming a finance bro overnight or rejecting every impulse purchase that brings us joy. It is about building a system that can survive our bad weeks, unexpected expenses, and the constant oscillation between "I am going to be rich" and "why is everything so expensive?" Our twenties are supposed to be unstable by nature, but our finances do not have to be. So, here is a practical guide to managing money while twirling through our twenties.

Understanding the 50-30-20 framework with Gen Z reality

The 50-30-20 rule is a classic, as it gives structure without suffocating your lifestyle. The idea is to allocate half your income to needs, a little less than a third to wants, and the rest to savings. But the reality is that rent, transportation, groceries, and basic digital necessities often stretch far beyond the 50% mark, especially if you live in an urban area or do not have shared living arrangements. Start by calculating your recurring non-negotiables: rent, groceries, commute, phone bill, and utilities. If these exceed the 50% threshold, adjust the other categories instead of spiralling. It is entirely normal for needs to inflate and savings to fluctuate, but the goal is to maintain proportionality. Over time, as your income grows or your expenses reduce, you can gradually align more closely with the traditional percentage breakdown.

Creating a budget that does not feel like a punishment

Budgeting is often portrayed as a joyless exercise meant to strip every pleasant thing out of your life, but that philosophy is exactly why most budgets fail. A functional budget is a mirror, not a wishlist. It should reflect how you actually behave with money rather than how you hope a superior version of you might behave someday. Once you have your baseline, build a budget that accommodates your habits while gently nudging you toward healthier boundaries. The key is weekly check-ins lasting no more than five minutes. These prevent denial from accumulating and keep you conscious of how much you have used in each category. Over time, you will notice that your spending naturally aligns with your intentions simply because you are monitoring it without judgment.

Practising intentional spending without becoming miserly

In your twenties, it is tempting to view every pleasure purchase as a moral failure, but guilt is neither productive nor sustainable. Instead, the objective is to understand why you are spending and whether the expenditure genuinely improves your wellbeing. One helpful technique is the 48-hour pause rule: if an item is not essential, wait two days before deciding. This delay disrupts impulse buying without denying you the option. Most desires fade when deprived of immediacy, revealing which purchases are driven by emotion rather than value. For higher-priced decisions, it helps to evaluate whether the item or experience will matter to you in six months. This shifts your thinking from instant gratification to future satisfaction.

However, intentional spending also means giving yourself permission to enjoy things that bring you consistent joy or comfort. If your favourite café drink genuinely brightens your week or a hobby energises you, those are valid investments in your lifestyle. The key distinction lies not in the price but in the purpose. Mindless spending drains your finances and your peace, while intentional spending builds a life that feels aligned with your priorities.

Managing impulses with a guilt-free fun fund

YOLO (You Only Live Once) culture may not be the healthiest financial motto, but it is important to understand that suppressing impulses entirely is unrealistic. The most effective compromise is establishing a fun fund, a designated amount you are allowed to spend freely each month, without accountability. When a spontaneous craving hits, whether it is treating yourself to dessert, buying a new dress, or upgrading something unnecessarily, you can indulge without guilt as long as you stay within this fund. Thus, instead of viewing every impulse purchase as a mistake, you anchor it within a controlled environment. If the fund runs out early in the month, the rule is simple: you patiently wait until the next cycle. Over time, this boundary will reshape your impulses.

Building an emergency fund without terrifying yourself

The idea of saving three to six months' worth of expenses sounds noble until you try calculating the number and realise it rivals your annual tuition. Most people in their twenties panic at the thought of building such a fund, and that fear alone becomes a barrier. A gentler approach begins with a one-month target. This is achievable, concrete, and immediately useful. Once you reach that milestone, aim for two months, then three. Keep this fund in a separate savings account where it is accessible but not easily mingled with your daily finances. You want to be able to reach it during genuine emergencies and not during minor inconveniences or existential shopping episodes. Over time, this fund becomes the backbone of your financial confidence. It will help cushion sudden job transitions, medical issues, or unexpected expenses.

Creating a simple investment habit without becoming a Wall Street prodigy

The biggest lie our twenties tell us is that investing is only for the financially enlightened, the math-obsessed, or the people who can casually say things like "market volatility" at brunch. In reality, building an investment habit is far less glamorous and far more about consistency than genius. Start with the most frictionless approach you can: automate a tiny amount every month into a basic instrument you actually understand. This could be a mutual fund, government-backed schemes, or even simple fixed-income instruments. The key is starting small and staying regular. Even tiny contributions accumulate over time, and starting in your twenties gives compounding decades to work its quiet magic.

Automatic monthly transfers help bypass hesitation and emotional decision-making. If you lack confidence, educate yourself gradually using accessible resources or consult certified financial advisors rather than friends who judge risk by memes. Investing is less about chasing rapid returns and more about developing discipline. Avoid high-risk temptations like random crypto tips or trendy stock predictions circulating on social media. Over time, watching your investments grow, even modestly, creates a sense of financial stability no savings account can replicate.

In your twenties, money feels deeply personal. It shapes your lifestyle, your opportunities, your anxieties, and your sense of independence. But tying your self-worth to how much you earn or save creates unnecessary pressure. Money is not a measure of character; it is simply a resource to be managed wisely. You will make mistakes, overspend, underestimate costs, and indulge impulsively, and none of that means you are failing. So, the sooner you detach your identity from your financial mistakes, the sooner you begin making better decisions.

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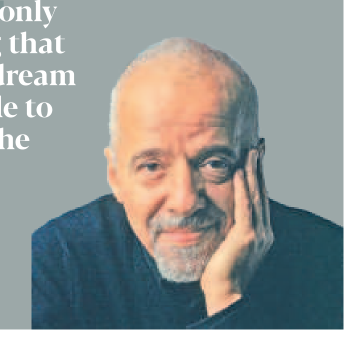
"There is only one thing that makes a dream impossible to achieve: the fear of failure."
PAULO COELHO



Meta to measure employee performance by 'AI impact' from 2026

NEXT STEP DESK

Meta will formally incorporate "AI-driven impact" into its employee performance reviews starting in 2026, according to an internal company memo seen by Business Insider.

The new policy will make using AI to deliver results and build productive tools a "core expectation" for staff. Janelle Gale, Meta's head of people, stated in the memo that the company aims to reward employees who use AI to create exceptional outcomes, either in their own work or by enhancing their team's performance.

While this metric will not affect 2025's annual reviews, employees are already being encouraged to document their AI-related achievements in self-assessments. The move is part of a broader push to cultivate an "AI-native" culture within the social media giant, states the report. This initiative includes internal games to incentivise AI adoption and a recently overhauled hiring process that permits job applicants to use AI in coding interviews.

In a related development, Meta is also introducing an AI tool to assist workers in writing their performance reviews during the current cycle. The memo noted that employees are permitted to use the company's internal AI assistant, Metamate, as well as Google's Gemini, for this purpose. This strategy aligns Meta with other major technology firms like Microsoft and Google, which are similarly mandating greater AI adoption among their workforces.

PHOTO: REUTERS

Verizon plans its largest-ever layoffs, cutting 15,000 jobs

NEXT STEP DESK

US-based telecommunications company Verizon is preparing to cut approximately 15,000 jobs in the largest layoff in its history, according to a recent Reuters report citing a source familiar with the matter.

The cuts, which could begin as early as next week, represent about 15% of the US telecom giant's workforce, states the report. The plan will reportedly reduce non-union management ranks by more than 20% and involves converting around 180 corporate-owned retail stores into franchised operations.

The move is one of the first major restructuring efforts by new CEO Dan Schulman, who took the role in early October. He has stated the company needs aggressive change, including a "fundamental restructuring" of its expenses to become a "simpler, leaner and scrappier business."

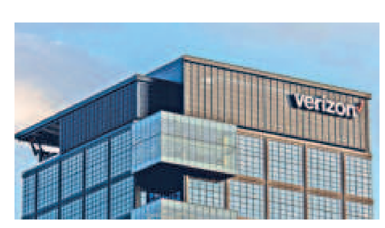


PHOTO: UNSPLASH

Verizon faces intense market pressure from rivals offering cheaper plans, states the Reuters report, adding that the company added just 44,000 monthly wireless subscribers in the third quarter, significantly lagging behind competitors T-Mobile and AT&T. The market is also being disrupted by cable operators like Comcast, which bundle mobile internet service.

A Verizon spokesperson declined to comment to Reuters on the report. The company had about 100,000 employees at the end of 2024, following years of prior workforce reductions.

APPLE CEO TIM COOK could step down next year: report

NEXT STEP DESK

Apple is intensifying its succession planning as it prepares for Tim Cook to step down from his role as chief executive as soon as next year, according to a Financial Times report.

Citing people familiar with the discussions, the report states that the company's board and senior executives have recently increased their preparations for a leadership transition. Cook has served as CEO for more than 14 years, having taken over from the company's co-founder, Steve Jobs, in 2011.

John Ternus, Apple's senior vice president of hardware engineering, is widely viewed as the most likely candidate to succeed Cook, the report said. However, an official announcement is considered unlikely to occur before Apple's next earnings report in late January.