

## How much should you spend?

Budgets are not “one size fits all” but the experts have developed a system that can help you to determine how much of your income you should set aside for specific expense categories such as shelter and transportation. Here are some “suggestions” about how much of your monthly income (after taxes) should be used towards each expense.

### Budget Percentages

Housing - Own - <35%

- Rent - <20%

- This includes mortgage or rental payments, home owner's insurance and taxes, utility services, repairs and maintenance.

Transportation 10%

- This includes loan payments, insurance, fuel, maintenance, repairs, taxes and licensing.

Personal and Medical - < 20%

- This includes health insurance, out of pocket expenses, medications, veterinarian costs and health club memberships.

Living Expenses – 25%- 35%

- This includes school and work lunches, clothing, postage, paper supplies and groceries.

Recreation – approximately 5%

- This includes dining out, movies, vacations, gifts, sports games and cultural events.

Debt – This includes everything that you pay for on a regular basis that was not included in any other categories. For example, credit cards, student loans, child support and any other payments or loan payments.

Charitable Donations – 10% - 15%

- This includes donations to religious groups and non-profit organizations.

Savings – 5% - 10%

- This includes emergency funds, investments, college, new car and retirement.

The trick is sticking to your budget so that you will be more financially fit, living within your means and working towards your goals. Your goal is to have all of your income accounted for at the end of the month. If you have any money unaccounted for, put it aside for repairs, maintenance and/or savings. \*\*Try to avoid walking around with extra cash in your pocket.

