Wealth Wellness

THREE HILLS

November 2023

# Deconstructing Your Budget by the Numbers

## Big Picture

**The best and easiest budget guideline to use is the 50/30/20 rule.**
**This guideline helps define your big spending buckets but allows flexibility inside the buckets based on your unique situation and spending values.**
**Click here to checkout the Budgeting Worksheet**

## A Closer Look at Needs Bucket

Guidelines to follow while staying with in the 50% bucket:

| | |
|---|---|
| Housing (including utilities & insurance) | 25%-35% |
| Food | 5%-10% |
| Car (insurance & gas) | 7%-10% |
| Medical (including insurance) | 5%-10% |
| Work- Related (including commuting & childcare) | 5%-10% |
| Debt Payments (credit cards & personal loans) | 2%-10% |

**NEEDS**
**50%**

- Housing
- Food
- Car
- Medical
- Work-Related Expenses
- Debt Payments

**WANTS**
**30%**

- Clothing
- Entertainment
- Vacations
- Restaurants

**SAVINGS & INVESTMENTS**
**20%**

- Emergency Fund
- Retirement Plan
- Other Tax-Deferred Investments
- Taxable Investments

## Tips

- **Figure out your budget based on take-home pay, not gross pay.**
- **If your “needs” exceeds 50%, steal from “wants bucket.**

Ready for more? Visit the Learning Lab or contact any member of the FLO Team.