



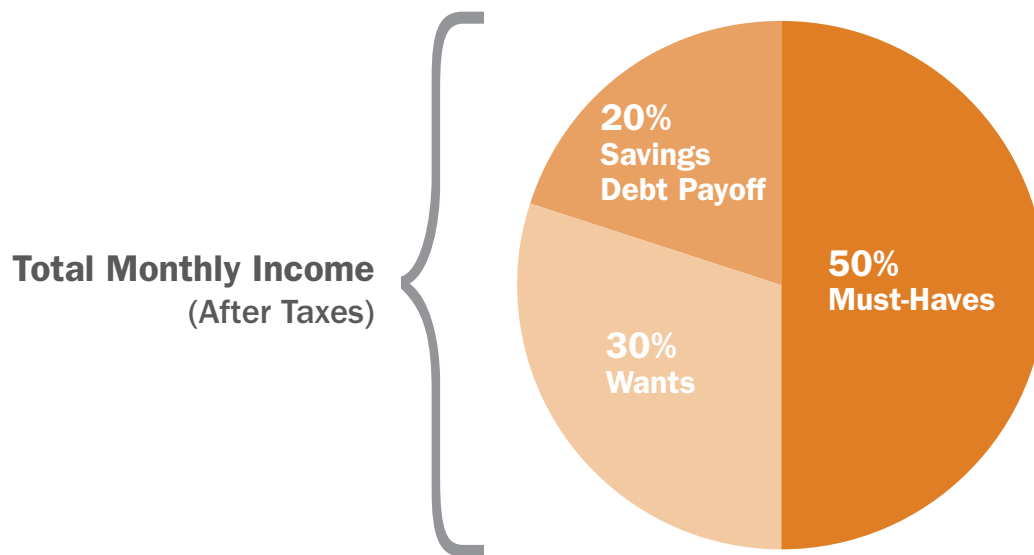
# Your 50/30/20 Monthly Budget Guide

The best kind of budget is all about moderation—one that allows you to pay your must-have living expenses, put some money in the bank, pay down debt, and have some left over for the fun stuff. The 50/30/20 budget lets you to do just that. Not only does it help you live within your means, it also helps you figure out exactly what your means are.

Think of your total monthly income as a pie. With the 50/30/20 budget, you're basically cutting your monthly household income into three pieces:

1. **Must-Haves**
2. **Wants**
3. **Savings and Debt Payoff**

With the 50/30/20 budget, 50 percent of your total monthly household income goes toward Must-Haves, 30 percent for Wants and 20 percent into your Savings and Debt Payoff.



## Create your 50/30/20 budget in four easy steps:

### 1 Calculate Your Total Monthly Income

Your after-tax income is the amount you have after all taxes—local, state, federal, Medicare and Social Security—are taken out of your paycheck. If you have health insurance, retirement contributions or any other savings deducted from your paycheck, simply add them back in. You'll deduct them again when placing them in their respective category. Remember, we're looking at your total household income, so you'll need to add in your spouse or partner's income too.

**If you already completed the "Your Monthly Budget Worksheets," transfer your monthly income below.**

**Total Monthly Income**

## 2 Calculate Your Must-Haves

A Must-Have is any payment that would severely affect your quality of life if you didn't make it. Review your budget and note how much you spend on Must-Haves, such as groceries, housing, utilities, insurance, prescription medicine and minimum credit card payments. The amount you spend on your Must-Haves should be no more than 50 percent of your total monthly income.

**If you already completed the "Your Monthly Budget Worksheets," list below the items you marked as Must-Haves.**

Must-Haves	Monthly Amount
	\$
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	\$
<b>My Total Must-Haves</b>	\$
My Recommended Must-Haves (50% of Total Monthly Income)	\$

