

Budget Expense Categories and Recommended Percentages

20%-30%-Housing-House, apartment, condominium; furnishings; upkeep

10%-20%-Loan Payments: All installment loans, department store charges, and credit card bills. (20/10 Rule)

14%-20%-Food: Food purchased for home consumption and purchased meals and beverages.

5%-Entertainment: Books, periodicals, sport supplies, television, and admission to spectator sports.

1%-2%-Out-of-Pocket Expenses: Club dues, postage, bank service charges, and all other miscellaneous expenses.

6%-20%-Transportation: Car expenses, repairs, gas, inspection, and license and other local public transportation.

2%-4%-Clothing and personal care: Clothing and accessories (plus cleaning and upkeep).

2%-Education: Tuition, books, school expenses, and Internet.

4%-7%-Utilities: Electricity, gas, water, and telephones.

1%-Gifts & Contributions: Personal and business gifts and church and other charitable contributions.

5%-10%-Savings (PYF): All savings accounts and investments.

11%-Insurance: Homeowner's/Renter's, life Insurance, and Car Insurance.

23%-Taxes: Federal Income Tax, Social Security Income Tax, State Income Tax, etc.

2%-8%-Medical: Hospitalization, dental, eye-care, drug prescriptions, and other professional health care.

Consumer Credit Counseling		National Foundation for Credit Counseling	
Housing	20-30%	Housing	24%
Utilities	4-7%	Food	14%
Food	15-20%	Health	6%
Transportation	6-20%	Clothing	6%
Medical	2-8%	Transportation	17%
Clothing	2-4%	Entertainment	5%
Invest/Savings	5-10%	Personal Insurance	11%
Debt Payments	15-20%	Charity	4%
Misc.	5-10%	Savings and Other	13%

Notes:

If every **budget** example is different, then how do you know what to do. First there are some basic recommendations.

1. Save or invest at least 5%.
2. Debt payments shouldn't exceed 15%.
3. Mortgage companies want house payment to be no more than 25%. Housing or rent costs should be kept within your means. We struggle in our area due to booming economy and high rents.

There are a few basic steps in order to set up a viable **budget**.

All **budgets** should be specific to your needs and goals. There is no set amount that works for everyone.

Make sure that you set realistic amounts. It's unrealistic to take on another loan that would cut your allotted food expenses in half when you're already struggling to stay within your budget.

Treat savings used for goals and emergencies as a bill. If you wait to save what's leftover at the end, there will never be anything left over.