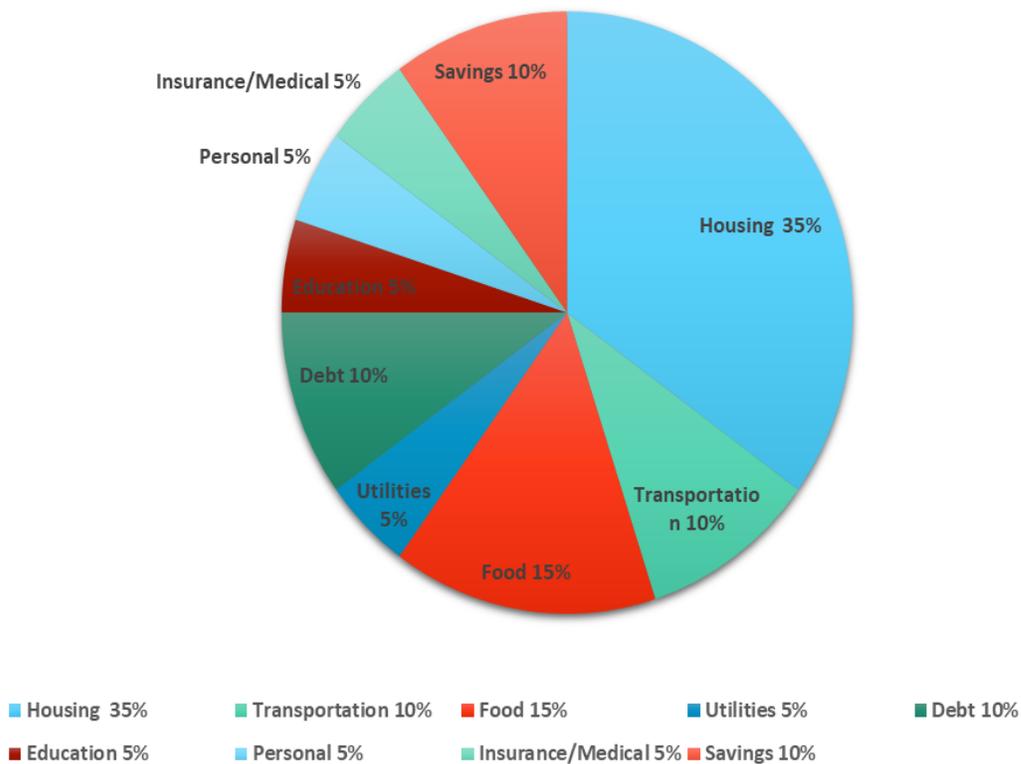


Budgeting Guidelines for the Cost of Living

If you've never created a budget before (or if you've worked on one but always felt like something was off), figuring out how much to spend on what can be overwhelming. These guidelines give you a range to guide you as you plan how much to spend. When filling out the budget form you put in an amount. To have a good idea of your spending you will want to take the plan amounts and categorize and tally them. Your household total for the plan can only equal 100% so if you spend less on food but more on housing that is fine as long as you do not go over 100% of your net income. See sample budget attached.

Spending Plan Pie Chart



Transportation – 10%

This category covers auto insurance, auto loan, auto registration/inspection, auto repairs/maintenance, gas, oil changes, public transportation, Uber and Lift, parking/tolls, and EZ Pass. Start by budgeting 10% of your net income here and modify this amount as needed or if costs go down (pay off car loan, work from home, etc..)

Debt – 10%

This category includes things such as collection accounts, personal loans, student loans and credit cards. The combined payments should be no more than 10% of your take home pay.

Education – 5%

This category includes expenses for tuition, books, supplies and other school fees s (some college's charge fees for library/gym/etc). The combined expenses should be no more than 5% of your take home pay.

Housing – 35%

This category covers the following categories on the budget sheet: Rent, 1st and 2nd mortgage, HOA fees, home equity line of credit, homeowner's/renters insurance, property tax, lawn care taxes and repairs. We recommend spending *no more* than 35% of your net income on housing.

Insurance/Medical – 5%

Some people have their medical insurance deducted from their pay. In that case do not count it on the plan/budget. However, if you mail a check or pay for any of the following it would go into this category: accident and disability, health and life insurance, doctor and dentist visits/co-pays, vision care, glasses or contacts, medical bills and medications. Most people budget 1% of their take home pay for insurance/medical expenses. Of course, this category is an excellent example of how percentages can change from month to month or year to year. If the entire family gets the flu, you'll have to make adjustments throughout your budget to meet those needs

Savings – 10%

This category includes traditional savings accounts, 401K and IRA. **However, if they already are deducted from your paycheck do not count them again.** If you have savings, you can pay to cover emergencies or unexpected expenses instead of using your credit cards which will prevent putting yourself into debt.

Utilities – 5%

Utilities include internet, cable TV, cell phone, electricity, trash pickup service, heating (natural gas or oil), water/sewer and cell phone/telephone. Plan on spending 5% for all monthly utilities.

Food – 15%

Eating in or eating out this budget category is one of the hardest to manage. The best way to do so is by **meal planning and limiting the number of times you buy food each month.** Just like a budget brings focus to your spending, a meal plan brings focus to your *food* spending. This category includes food at work, school lunches, restaurants/fast food, grabbing a cup of coffee and groceries.

Personal – 5%

This category is a combination of the following categories/expenses: such as charitable donations, books/newspapers/magazines, lottery, movies/tickets, athletic events, alcoholic beverages, allowance for children, checking account fees/ barber/beauty shop, child care, tobacco, cleaning supplies, clothing, gym membership, dependent care, toiletries, laundry/cleaning, vacations, cleaning service and furniture and appliances, lessons, professional services, recreation, subscriptions (Netflix, Hulu, Amazon), hobby expenses, storage and pet supplies. The combined expenses should be no more than 5% of your take home pay.