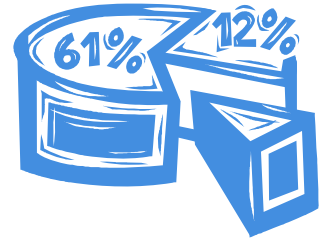


## Suggested or Ideal Spending Percentages

Compare your actual spending with the suggested or ideal percentages. First determine your net monthly income or bring home pay then use this figure to calculate your percentages.



### Housing

Housing costs for those who rent consist of: rent, utilities, renter's insurance.

Those with a mortgage: mortgage payment, taxes, insurance, utilities, homeowner repairs.

$$\frac{\text{Total Housing Costs}}{\text{Net Monthly Income}} = \frac{\text{Your housing percentage}}{\text{Suggested housing = 30\%}}$$

### Auto/transportation

Automobile and transportation costs consist of: auto payment(s), insurance, gasoline, oil changes, license, parking, tolls, registration and repairs.

$$\frac{\text{Total Transportation}}{\text{Net Monthly Income}} = \frac{\text{Your transportation percentage}}{\text{Suggested = 15\%}}$$

### Food/Grocery/Cleaning/Household Supplies

Food, grocery, cleaning and household supplies consist of: groceries, eating out, take out, snacks, sodas, cleaning, paper, plastic products and other household supplies

$$\frac{\text{Total Food/Grocery}}{\text{Net Monthly Income}} = \frac{\text{Your food/grocery percentage}}{\text{Suggested = 15\%}}$$

**The three expenses above should not exceed 65% of net income.** For example, If housing is 40%, then the percentages of food and auto together cannot exceed 25%.

### Savings

Savings are funds saved from net income (bring home pay) to cover emergencies for household, auto, medical and dental expenses, insurance deductibles, speeding tickets, down payments on large purchases, vacations or trips, etc.

$$\frac{\text{Total Savings}}{\text{Net Monthly Income}} = \frac{\text{Your saving percentage}}{\text{Suggested = 10\% or more}}$$

### Debt and/or Charitable Contributions

Debts refer to the monthly amounts paid on debts. Charitable Contributions are the amounts given to churches and other charities.

$$\frac{\text{Total Debt/Charitable Contributions}}{\text{Net Monthly Income}} = \frac{\text{Your Debt/Charity percentage}}{\text{Suggested = 15\% or less}}$$

### Miscellaneous

These are all your other expenses, for example: phones/cell phones, Internet, cable/satellite tv, medical and dental expenses, eyeglasses/contacts, child care, gifts (Christmas, birthdays, anniversaries, weddings, babies), entertainment, insurance deductibles, recreation, alcohol and tobacco products, personal grooming (hair/nails), pet expenses, etc.

$$\frac{\text{Total Miscellaneous Expense}}{\text{Net Monthly Income}} = \frac{\text{Your Miscellaneous percentage}}{\text{Suggested = 15\%}}$$

How do your percentages compare with the suggested ideal percentages? What changes would you and/or your family be willing to make to bring expenditures in line with your plans, goals and income?