50/30/20 SPENDING TEMPLATE

Allocate your income effectively

This template helps you allocate your income using the 50/30/20 rule. This rule suggests allocating 50% of your after-tax income to *needs*, 30% to *wants*, and 20% to *savings and debt repayment*. Fill in the sections below to create your personalized spending plan.

1. Calculate Your Income

Total After-Tax Monthly Income: ______________

2. Needs (50%)

Needs are essential expenses required for your survival and well-being. This includes things like housing, food, transportation, and essential utilities.

Total Needs Allocation (50% of Income): ______________

Example Breakdown:

- Rent/Mortgage: ______________
- Utilities (Electricity, Water, Gas): ______________
- Groceries: ______________
- Transportation (Car Payment, Gas, Public Transit): ______________
- Health Insurance: ______________
- Other Essential Expenses: ______________

3. Wants (30%)

Wants are non-essential expenses that enhance your lifestyle but aren't crucial for survival. This includes dining out, entertainment, hobbies, and subscriptions.

Total Wants Allocation (30% of Income): ______________

Example Breakdown:

- Dining Out: _____________
- Entertainment (Movies, Concerts): _____________
- Hobbies: _____________
- Subscriptions (Streaming Services, Gym Memberships): _____________
- Clothing (Non-Essential): _____________
- Other Non-Essential Expenses: _____________

4. Savings & Debt Repayment (20%)

This category focuses on securing your financial future and reducing debt. It includes savings for retirement, emergency funds, and paying down outstanding debts.

Total Savings & Debt Repayment Allocation (20% of Income): _____________

Example Breakdown:

- Emergency Fund: _____________
- Retirement Savings (401k, IRA): _____________
- Debt Repayment (Credit Cards, Loans): _____________
- Other Savings Goals (Down Payment, Vacation): _____________

Next Steps

Now that you've created your spending template, track your expenses for a month to see how well you adhere to the 50/30/20 rule. Adjust the amounts as needed to align with your financial goals and priorities. Regularly review and update your template to reflect changes in your income and expenses.