

# Budgeting 101



Making a budget (and sticking to it!) is one of the most important (and most difficult) parts of "adulting." Here are some easy ways you can start tracking your spending and make better decisions.

## Step 1: TRACK YOUR SPENDING

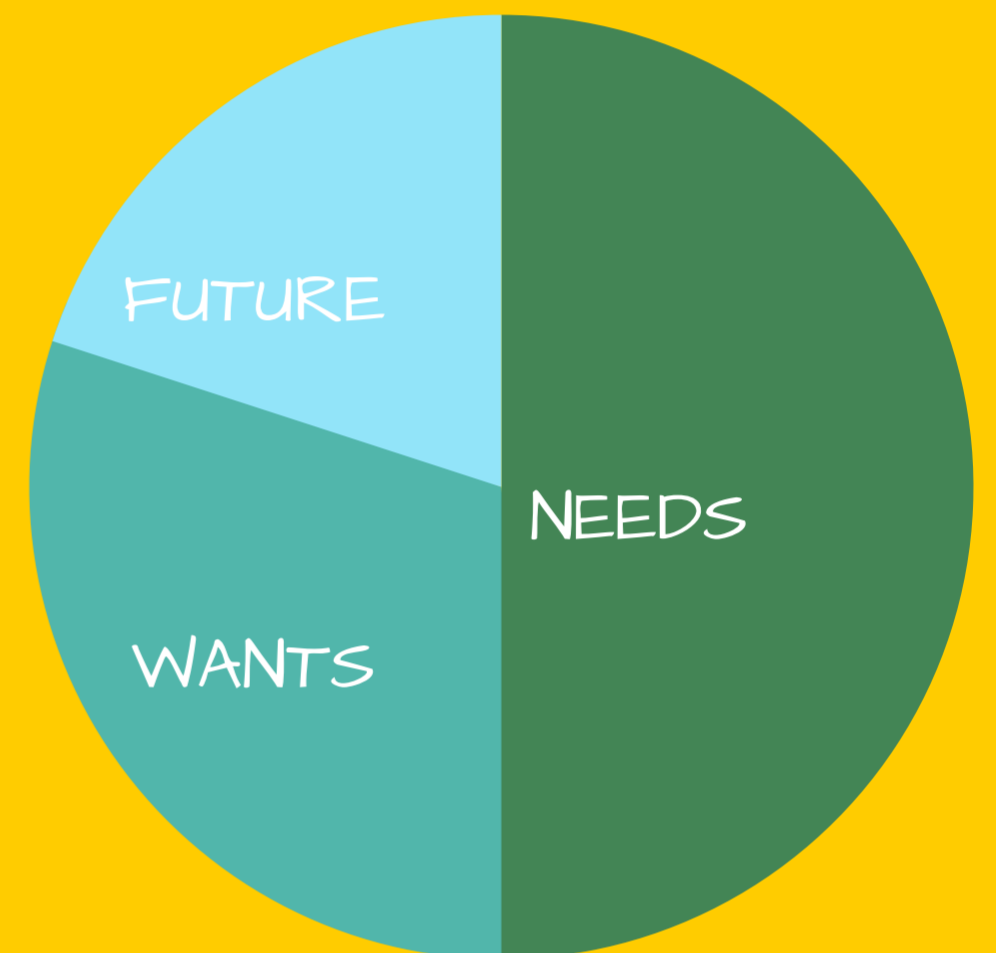
What do you spend money on? Are these things **wants** or **needs**?

Ex: Sam's top 3 expenses are rent, dining out, and transportation. Sam could save money by making meals at home or packing lunch a few times a week.



## Step 2: KNOW THE 50/20/30 RULE

How will you divide your paycheck? The popular 50/20/30 rule suggests that **50%** of your income should go to **essentials** (rent, groceries, bills, etc.), **20%** should go to **savings**, and the remaining **30%** should be used for **personal** spending (movies, dining out, etc.)



## Step 3: BREAK IT DOWN

Take your essentials (the 50%) and break it down. How much is rent? Insurance? What does that leave for groceries? Make a plan.

Then look at your personal spending (the 30%). What categories are important to you? Where can you cut back?

## Step 4: KEEP TRACK

Keeping track of your expenses is the key to an effective budget! We all track our spending differently, find a system that's right for you!

Download budgeting apps



Keep a notebook

Divide into envelopes



## Step 5: STICK WITH IT

Let's be honest. You're going to go over budget in some category at some point. It's ok! Budgets can be a little flexible now and then. If you've been saving, you'll have something to fall back on. Live and learn!