

Define your

CATEGORIES

The 50/30/20 budget divides your monthly spending into three categories:



NEEDS



Needs are your **essential** expenses—skipping them would lead to serious consequences like illness, job loss or legal trouble

NEEDS

Examples include:

- Housing/rent
- Basic utilities
- Food
- Clothing
- Health care
- Transportation
- Taxes
- Minimum payments



WANTS

Wants account for a lot of your spending—these are all the **non-essential** products and services you buy



WANTS

Examples include:



- Cable/Internet/phone
- Restaurants/takeout
- Entertainment
- Travel
- Fashion
- Electronics
- Subscription services

SAVINGS

Savings are any expenses related to **debt repayment** and **savings plans**



SAVINGS

Examples include:



- Emergency fund savings
- Student loans
- Credit card debt
- Retirement savings
- Down payments
- Personal savings goals