

THE 50/30/20 BUDGETING RULE

The 50/30/20 budgeting method is a simple guideline that helps you divide your after-tax income into three categories: needs, wants, and savings. It can help you stay on track while working toward your financial goals.



50% NEEDS

Cover Your Essentials

Use about half of your income for expenses you need to live and work.

- Housing or rent
- Utilities
- Groceries
- Transportation
- Insurance
- Minimum loan payments
- Healthcare

? **Ask yourself:** Is this something I need or something I want?

50% NEEDS

Cover Your Essentials



30% WANTS

Enjoy Life Responsibly



30% WANTS

Enjoy Life Responsibly

Set aside about 30% of your income for the things that make life more enjoyable.

- Dining out
- Entertainment
- Shopping
- Streaming services
- Hobbies
- Travel
- Gym memberships

 It's okay to treat yourself—just make sure it fits within your budget.

20% SAVINGS & GOALS

Invest in Your Future



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Invest in Your Future

Use the remaining 20% to build financial security and work toward your goals.

- Emergency savings
- Retirement
- Paying down debt faster
- A home down payment
- College or trade school
- Vacation savings
- Other long-term goals

 Every dollar you save today can help create more financial freedom tomorrow.



MAKE IT WORK FOR YOU

The 50/30/20 rule is a helpful starting point—not a strict rule. If your expenses don't fit these percentages exactly, that's okay. Adjust the numbers to fit your income, lifestyle, and financial goals.

TIPS FOR SUCCESS



Track your spending



Review your budget monthly

 Adjust as your life changes



Stay focused on your goals



NEED HELP GETTING STARTED?

Call or visit your local Priority First Federal Credit Union branch. Our team can help you build a budget, set savings goals, and create a plan that works for you.

 **1-800-368-0739**

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