

My spending rule to live by

A common rule of thumb

“Use the 50/20/30 rule to manage spending—apply 50 percent of your take-home pay to needs, 20 percent to savings and debt payments, and no more than 30 percent to your wants.”

Consumers have told us that they sometimes find common financial rules of thumb—like “spend no more than 30% of your take-home pay on your wants”—hard to apply to their own circumstances. Don’t feel discouraged, you can decide on your own personal rule to live by that works for your financial situation. Give yourself simple guidelines for managing your spending on today’s wants.

Instructions: Use this worksheet to create your own personal rule to live by that will help you meet your spending goals. Breaking your goals into small actionable steps will keep you from feeling overwhelmed. Writing down your goal will make you much more likely to stick to it.

[Continue to the next page to get started >](#)

About money rules to live by

Just like lane markers on a highway, your money rules to live by are guidelines that keep you moving in the right direction. You might have to speed some things up, slow down others, or change lanes from time to time, but your money rules can help you reach your financial destination.

This worksheet is part of a series that focuses on three common rules to live by that may help you make good financial decisions in your life. The other two worksheets are on credit reports and saving. To read the research that helped inform this worksheet, and to hear about how other consumers think and

feel about rules of thumb, read “Consumer Voices about Financial Rules to Live By”. Visit consumerfinance.gov/adult-financial-education for these resources.

About the CFPB

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

For more tools and resources on making financial decisions, visit consumerfinance.gov.

My spending rule to live by

Step 1: Analyze your spending

- Keep track of everything you spend for a month to get a sense of where your money is going.
- Use the chart below to determine how much of your take-home pay you are currently spending on needs and wants.

Needs

Including mortgage/rent, food, clothing, transportation, utilities, and child care: \$ _____ or _____ %

Savings and debts

Including credit card payments, retirement savings, emergency savings: \$ _____ or _____ %

Wants

Fill in your wants: _____
_____ \$ _____ or _____ %

Total take-home pay: \$ _____ or 100 %

Step 2: Create a rule to live by to help you manage your spending

- Choose a weekly or monthly rule for spending on “wants”.
- Write down the spending on “wants” amount below, sign this worksheet, and keep it where you can see it.

I will keep my spending on “wants” to a maximum of
\$ _____ per _____ (week, month, etc.)

or

I will keep my spending on “wants” to
_____ % of my take-home pay per _____ (week, month, etc.)

Step 3: Make a promise to yourself—and take action on your rule

I will use my unique rule to live by to help me achieve my spending goal.

(sign here)