“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.”

Sometimes it’s hard to apply advice you hear in articles or books—or even from friends and family—to your 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.
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)