



Lifeskill 3

Where does your money go each month?

Dave Ramsey (www.daveramsey.com) gives us a glimpse into the recommended % for basic household expenses and actual expenses (provided via direct email interview, June 10, 2009). In the next lifeskill, *Recordkeeping*, you will utilize a more detailed household budget. If you do not have actual expense figures, try to estimate what you believe you spend in each category.

Ramsey used a compilation of several sources and his own experience to derive the suggested percentage guidelines. However, these are only recommended percentages and will change dramatically if you have a very high or very low income. For instance, if you have a very low income, your necessities percentages will be high. If you have a high income your necessities will usually be a lower percentage of income; and hopefully savings (not debt) will be higher than recommended.

Expense	Recommended % After Tax Income Expenses *	Recom. Dollar Amount**	Your % Expense After-Tax Income	Your Dollar Amount	Your Desired Budget Goals
Charitable Gifts	10 – 15%				
Clothing	02 - 07%				
Debt	05 – 10%				
Food	05 - 15%				
Housing	25 - 35%				
Medical/Health/Dental/ (including insurance)	05 – 10%				
Personal	05 – 10%				
Recreational	05 – 10%				
Savings/Investments	05 - 10%				
Transportation (includes gas/maintain)	10 - 15%				
Utilities	05 – 10%				
Other					
Other					
*Categories can be eliminated if they aren't "necessities" or if they are seasonal. **Multiply after-tax income to recommended expense %.					

For exclusive use by participants in *Celebrating Your Journey* © 2008, 2011 Sharon L. Benedict
DO NOT REPRODUCE (unless exception noted on page)