

Personal Finance #1

The chart below represents the standard recommendation for personal budgeting.

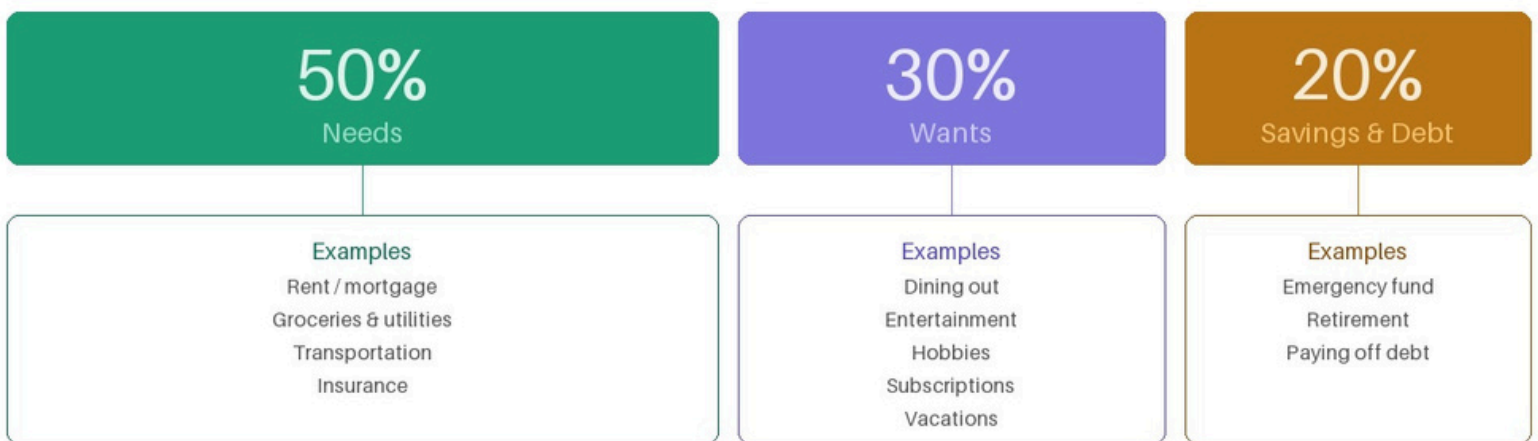
I think this is the sort of thing you see in social media and news articles all the time and makes you feel bad if you are not hitting these targets. It took me a long time be able to have 20% of my income left over for retirement and investment. It is especially tough when you have kids or if you are a single wage earner. At different times in your life, you will bounce from 0% savings to more positive savings, so don't get too hung up on these percentages.

My two cents: if these numbers are what you are not hitting, don't be too concerned, time helps - just save what you can and try to cut out unnecessary expenses. Controlling your expenses is key and will help you get more aligned as you continue through your career.

Here's the rule:

The "50/30/20 Rule"

A popular and practical starting framework for budgeting:



This is a guideline, not a rule. High cost-of-living areas or heavy debt may require adjusting the ratios.

