Emergency Fund

A priority household budget item is an emergency fund. An emergency fund is what you'll need in case of a catastrophic event -- you lose your job, become incapacitated or suffer an event that renders you unable to take care of yourself and your family. “Make it liquid, though. Don’t put your emergency savings in a hard-to-reach account,” says Corprew. Have an emergency fund that will cover your expenses for eight months -- this is significantly more than previous advice that three months of living expenses is sufficient, thanks to changes in the economy.

Housing

Keeping a roof over your head is another essential household budget item, which includes not just how much you pay for rent or for your mortgage. In the "Housing" category of household budget items, include household maintenance and repairs, renters or homeowners insurance and property taxes that you pay to your county or government jurisdiction. Corprew suggests allocating about 25 to 35 percent of your income for housing. He also says that if you already have your emergency money stashed and your debt and housing costs are under control, consider putting aside the difference for future short-term or long-term goals.

Savings

"Pay yourself" is a common piece of budget advice, which means it's important to save for your present needs and, especially, your future needs. Financial experts like Corprew believe at least 10 percent of your earnings should go towards your savings. That includes saving for your emergency fund, participating in your employer's retirement savings plan and putting away money for your children's future. The benefit of putting some of your income into an employer-sponsored retirement savings account is that many companies match at least a percentage of your contribution, says Corprew.

Utilities

Having water, electricity, and heating and cooling is vital to any household -- and it makes your life a lot easier and more pleasant -- so paying these expenses is a top priority. Your household budget category for utilities should include gas, electricity, water and sewage, land line and cell phone payments, cable television and Internet access. Up to 10 percent of your income should be a sufficient total for these services.

Health Care

Staying healthy is essential. Depending on your circumstances and needs, you might need to spend more or less than others, but it's important to allocate money for expenses such as premiums for health, disability, vision and dental insurance. In addition, if your health care policy requires a co-pay each time you visit the doctor, include that in your household budget for health care. Prescription drugs, eyeglasses and contacts, and other health aids go in this category, too. Depending on your age and family circumstances, adding long-term care insurance to this budget category might be a wise choice.

Consumer Debt

Consumer debt is a catchall category that includes credit card bills, student loans, installment agreements and car payments. Ideally, according to Corprew, your total consumer debt is very low or nonexistent. But for many people, a certain amount of consumer debt is a reality. Corprew recommends limiting this kind of debt to 5 to 10 percent of your income.

Food and Groceries

Everybody eats, but how you spend your money -- whether it's dinner with friends, stocking up on groceries, picking up a latte on the way to work or ordering pizza delivery for the occasional Friday night in -- varies. How much to allocate to this category obviously depends on family size, eating habits and your ability to make wise purchases, but Corprew says approximately 10 to 15 percent is reasonable.

Personal Care

If you have a family to support, personal care costs could be quite expensive. Salons, hair care products, personal hygiene and laundry supplies, shoes and shoe repair, clothing and dry cleaning are among the myriad items that go into this category. Also, the baby shower gift for a friend or contributing a few dollars to a colleague's going-away party at work are personal expenses to put in this category, which might be around 15 percent of your household income. If you separate your clothing expenses, drop that amount to around 10 percent and allocate around 5 percent for expenses related only to clothing.

Entertainment

After you've met all your obligations -- and pored over your personal finances and spending -- you probably want to have some fun with whatever is left. Many people allocate about 5 to 10 percent of their income to entertainment, whether that means spending a few dollars at a museum, putting aside money for the vacation you dream of taking, or treating your family to a "stay-cation" with a day at the local amusement park.