

# Recommended Percentages

You nerds will love this one! Calculate how you compare to these suggestions.

## How much of your money should go where?

We've got some recommendations based on experience and research. If you find that you spend much more in one category than we recommend, consider adjusting your lifestyle in that area in order to enjoy more freedom and flexibility across the board. These are only suggestions though. For example, if you have a higher income, your percentage for things like food will be lower.

Use this formula to get your target percentages

$$\text{Total monthly Income} \times \text{Recommended Percentage}$$

Use this formula to get your actual percentages

$$\text{Budgeted Amount} \div \text{Total monthly Income} \times 100$$

ITEM	RECOMMENDED %	TARGET	ACTUAL
Charitable Gifts	10-15%		
Saving	10-15%		
Housing	25-35%		
Utilities	5-10%		
Food	5-15%		
Transportation	10-15%		
Clothing	2-7%		
Medical/Health	5-10%		
Insurance	10-25%		
Personal	5-10%		
Recreation	5-10%		
Debts	5-10%		

# Monthly Cash Flow Plan

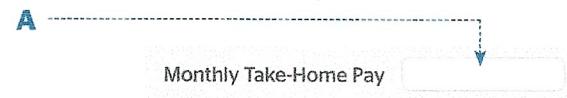
Cash flows in and out each month. Make sure you tell it where to go!

## Yes, this budget form has a lot of lines and blanks.

But that's okay. We do that so we can list practically every expense imaginable on this form to prevent you from forgetting something. Don't expect to put something on every line. Just use the ones that are relevant to your specific situation.

### Step 1

Enter your monthly take-home pay in the box at the top right (**A**). This is the amount you have for the month to budget. So far so good, huh?

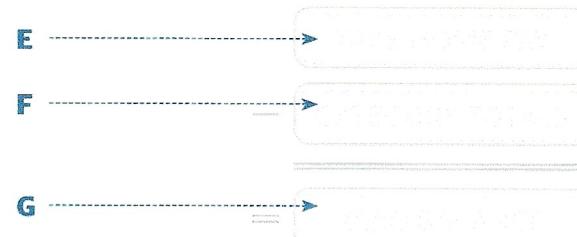


### Step 2

Within each main category, such as Food, there are subcategories, like Groceries. Start at the top and work your way down, filling out the Budgeted column (**B**) first. Add up each subcategory and put that number in the Total box (**C**).



Also, pay attention to Dave's recommended percentages (**D**). This will help you keep from budgeting too much for a category.

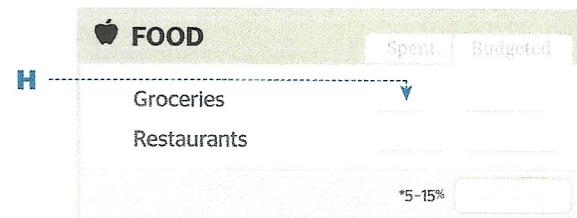


### Step 3

Finally, enter your take-home pay in the top box at the end of the page (**E**), then add up all categories and place that total in the Category Totals box (**F**). Then subtract your Category Totals amount from your Take-Home Pay. You should have a zero balance (**G**). Doesn't that feel great?

### Step 4

When the month ends, put what you actually spent in the Spent column (**H**). That will help you make any necessary adjustments to the next month's budget.



# Monthly Cash Flow Plan

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Monthly Take-Home Pay		
<input type="text"/> Add up budgeted column & enter here		
<b>CHARITY</b>	<b>Spent</b>	<b>Budgeted</b>
Tithes	_____	_____
Charity & Offerings	_____	_____
*10-15%		
<b>SAVING</b>	<b>Spent</b>	<b>Budgeted</b>
Emergency Fund	_____	_____
Retirement Fund	_____	_____
College Fund	_____	_____
*10-15%		
<b>HOUSING</b>	<b>Spent</b>	<b>Budgeted</b>
First Mortgage/Rent	_____	_____
Second Mortgage	_____	_____
Real Estate Taxes	_____	_____
Repairs/Maint.	_____	_____
Association Dues	_____	_____
*25-35%		
<b>UTILITIES</b>	<b>Spent</b>	<b>Budgeted</b>
Electricity	_____	_____
Gas	_____	_____
Water	_____	_____
Trash	_____	_____
Phone/Mobile	_____	_____
Internet	_____	_____
Cable	_____	_____
*5-10%		
<b>FOOD</b> <input type="text"/> These icons represent good options for cash envelopes		
 Groceries <input type="text"/>		
 Restaurants <input type="text"/>		
*5-15%		
<b>CLOTHING</b>	<b>Spent</b>	<b>Budgeted</b>
 Adults	_____	_____
 Children	_____	_____
 Cleaning/Laundry	_____	_____
*2-7%		
<b>TRANSPORTATION</b>	<b>Spent</b>	<b>Budgeted</b>
Gas & Oil	_____	_____
 Repairs & Tires	_____	_____
License & Taxes	_____	_____
Car Replacement	_____	_____
Other _____	_____	_____
*10-15%		
<b>MEDICAL/HEALTH</b>	<b>Spent</b>	<b>Budgeted</b>
Medications	_____	_____
Doctor Bills	_____	_____
Dentist	_____	_____
Optometrist	_____	_____
Vitamins	_____	_____
Other _____	_____	_____
Other _____	_____	_____
*5-10%		

\*Dave's Recommended Percentages

## INSURANCE

Spent      Budgeted

- Life Insurance \_\_\_\_\_
- Health Insurance \_\_\_\_\_
- Homeowner/Renter \_\_\_\_\_
- Auto Insurance \_\_\_\_\_
- Disability Insurance \_\_\_\_\_
- Identity Theft \_\_\_\_\_
- Long-Term Care \_\_\_\_\_

\*10-25%

## PERSONAL

Spent      Budgeted

- ✉ Child Care/Sitter \_\_\_\_\_
- ✉ Toiletries \_\_\_\_\_
- ✉ Cosmetics/Hair Care \_\_\_\_\_
- Education/Tuition \_\_\_\_\_
- Books/Supplies \_\_\_\_\_
- Child Support \_\_\_\_\_
- Alimony \_\_\_\_\_
- Subscriptions \_\_\_\_\_
- Organization Dues \_\_\_\_\_
- Gifts (inc. Christmas) \_\_\_\_\_
- ✉ Replace Furniture \_\_\_\_\_
- ✉ Pocket Money (His) \_\_\_\_\_
- ✉ Pocket Money (Hers) \_\_\_\_\_
- Baby Supplies \_\_\_\_\_
- Pet Supplies \_\_\_\_\_
- Music/Technology \_\_\_\_\_
- Miscellaneous \_\_\_\_\_
- Other \_\_\_\_\_
- Other \_\_\_\_\_

\*5-10%

## RECREATION

Spent      Budgeted

- ✉ Entertainment \_\_\_\_\_
- Vacation \_\_\_\_\_

\*5-10%

## DEBTS

Spent      Budgeted

- Car Payment 1 \_\_\_\_\_
- Car Payment 2 \_\_\_\_\_
- Credit Card 1 \_\_\_\_\_
- Credit Card 2 \_\_\_\_\_
- Credit Card 3 \_\_\_\_\_
- Credit Card 4 \_\_\_\_\_
- Credit Card 5 \_\_\_\_\_
- Student Loan 1 \_\_\_\_\_
- Student Loan 2 \_\_\_\_\_
- Student Loan 3 \_\_\_\_\_
- Student Loan 4 \_\_\_\_\_
- Other \_\_\_\_\_

Your goal is 0%

\*5-10%

Once you have completed filling out each category, subtract all category totals from your take-home pay.

Use the "income sources" form if necessary

Add up totals from each category

Remember—  
The goal of a zero-based budget is to get this number to zero



## Monthly Retirement Planning

In order to retire with some security, you must aim at something. Too many people use the READY-FIRE-AIM approach to retirement planning. Your assignment is to determine how much per month you should be saving at 12% interest in order to retire at 65 years old with what you need.

If we are saving at 12% and inflation is at 4%, then we are moving ahead of inflation at a net of 8% per year. If you invest your nest egg at retirement at 12% and want to break even with 4% inflation, you will be living on 8% income.

### Step 1:

$$\begin{array}{l} \text{Annual Income (today) you wish to retire on: } \underline{\hspace{10cm}} \\ \qquad\qquad\qquad \text{divide by .08} \\ \text{(Nest egg needed>equals: } \underline{\hspace{10cm}} \end{array}$$

\$30,000  
\$375,000

### Step 2:

To achieve that nest egg you will save at 12% netting 8% after inflation so we will target that nest egg using 8%.

$$\frac{\$375,000}{\text{Nest Egg Needed}} \times \frac{.000436}{\text{Factor}} = \frac{\$163.50}{\text{Monthly Savings Needed}}$$

8% Factors (select the one that matches your age)

AGE	YEARS TO SAVE	FACTOR
25	40	.000286
30	35	.000436
35	30	.000671
40	25	.001051
45	20	.001698
50	15	.002890
55	10	.005466
60	5	.013610

Note: Be sure to try one or two examples if you wait 5 or 10 years to start.



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Nest Egg Needed      X      Factor      =      Monthly Savings Needed

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