

Financial Ratings Series

WeissRatings
& Grey House Publishing

Financial Literacy Basics: How to Make and Stick to a Budget

2022



GREY HOUSE PUBLISHING

Financial Literacy Basics: How to Make and Stick to a Budget



Financial Literacy Basics: How to Make and Stick to a Budget 2022 Edition



GREY HOUSE PUBLISHING



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Welcome!

Grey House Publishing and Weiss Ratings are proud to announce the fifth edition of *Financial Literacy Basics*. Each volume in this series provides readers with easy-to-understand guidance on how to manage their finances. Designed for those who are just starting out, as well as those who may need help handling their finances, the volumes in this series outline, step-by-step, how to make the most of your money, which pitfalls to avoid, what to watch out for, and the necessary tools to make sure you are fully equipped to manage your finances.

Each of these eight volumes focus on specific ways to take the guesswork out of financial planning—how to stick to a budget, how to manage debt, how to buy a car or rent an apartment, how to calculate the cost of college, and how to start saving for retirement—all information necessary to get started on your financial future. Each volume is devoted to a specific topic. Combined, they provide you with a full range of helpful information on how to best manage your money. Individual volumes are:

- How to **Make and Stick to a Budget**
- How to **Manage Debt**
- Starting a **401(k)**
- Understanding **Health Insurance** Plans
- **Renting an Apartment & Understanding Renters Insurance**
- Understanding the **Cost of College, Student Loans & How to Pay Them Back**
- **Buying a Car & Understanding Auto Insurance**
- What to Know About **Checking Accounts**

Filled with valuable information that includes helpful, hands-on worksheets and planners, these volumes are designed to point you toward a solid financial future with clear suggestions, supportive guidance and easy-to-follow dos and don'ts.

Financial Literacy Basics:

How to Make and Stick to a Budget



How to Make and Stick to a Budget

What's the first thing you think of when you hear the word *budget*?

If you're like most people, you think of saving money—and this means making sacrifices. This is why the word budget can make people cringe.

Making a budget isn't hard and it will make you aware of all the things you spend money on. It can also help you identify the things that are worth spending your hard-earned money on and those that are not. Your budget doesn't have to be totally restrictive.

It may not always be a pleasant experience, but it's really important to make and stick to a budget. Many people live from paycheck to paycheck and struggle to get by. If you're coming up short at the end of the month, or are not sure about where all your money is going, setting up a budget will help.

A budget will help you save money for emergencies, major events, and eventually, retirement. It doesn't mean you can't splurge once in a while on a designer jacket or an extravagant dinner.

A budget is a roadmap for spending. It includes how much you earn and how much you spend on necessities such as rent, student loans, utilities, and groceries. It also includes money spent on fun, such as movies and meals at restaurants. A budget can help you see how much money you have left after paying for necessities. Then you can decide what you should do with this money.

Living without a budget is stressful. You might just pay your bills and spend the leftover money however you like, without thinking ahead, but what happens if you run out of money in between paychecks and need gas in your car or you need to pay for public transportation? How will you get to work? Credit cards can be a temporary solution, but you'll have to pay that bill next month, or over time, with interest. This is a problem you can usually avoid if you stick to a budget.





Benefits of Having a Budget

A budget is beneficial for many reasons. It gives you the information you need about where your money goes each month, so you can be sure you can pay your bills on time and don't run out of money before your next paycheck.

This is especially helpful if you use credit and debit cards. By not handling cash, you don't see exactly how much money you have left. A budget helps you avoid late fees and interest charges, which can take a big bite out of finances. It lets you control your finances, rather than letting your finances control you.

A budget can help you stick to a savings plan. Tempting purchases may make you feel good, but if you have a long-term savings goal, such as a car or a house, a budget can give you motivation by reminding you about what's important to you. Once you decide how much you have to spend out of each paycheck on necessities and set aside money for savings and fun, you might discover that a splurge purchase has to come from savings and will affect your plans for the future. You might even see that you can save more money by making a few small changes and reach your savings goal more quickly.

A budget can help you prepare for emergencies. Your car might break down. You might get sick and have to miss work for an extended period of time. You might have to move to a new apartment. If you have money in a savings account, you can continue to pay your necessary bills during an emergency. Saving money takes time, so you should include an amount of money to save in your budget right away and stick with it. Your goal should be to build an emergency fund that will cover from three to six months of living expenses.

Once you've reached this goal, keep adding a small amount of money to the emergency fund regularly. Keep your emergency fund in a savings account or a different account. Don't mix this money with the money you use for living expenses. After you have money set aside for emergencies, you can begin saving for retirement.

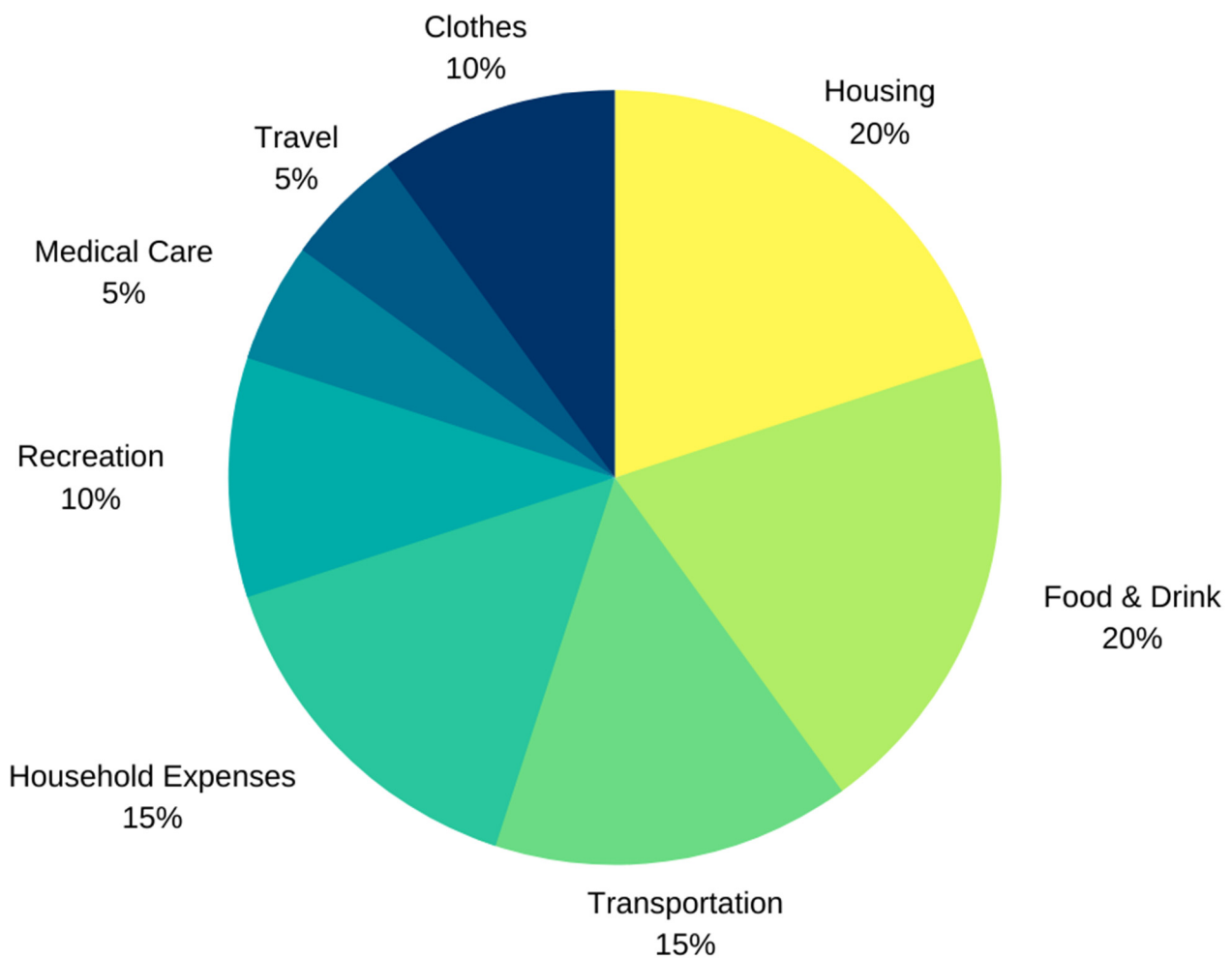
A budget is also beneficial because it gives you a better picture of your finances, and allows you to understand them better. By looking closely at all of your monthly purchases, you might find that some of them just don't make sense anymore, like cable channels you don't watch, or a gym membership that you're not using.

Can you cut back on dinners out, or daily coffee stops?



You might decide to rethink your entertainment budget and shift some of that money into savings instead, or spend less on going out to the movies if you have a variety of cable channels at your disposal.

You might be able to stream movies and music using your library card. Visit your local library to see if they make these services available to patrons. Borrow books and magazines from your local library, so you don't have to buy them.



Making a budget can help you see how you spend your money.





How to Make a Budget

The first step in making a budget is to consider how

much you earn. You might be paid weekly, or biweekly, or on some other schedule, but a good number to focus on is a monthly amount. If your hours vary, look at the last six to twelve months and calculate your average monthly wages. Also consider any other income you have, such as tips, commissions, or occasional freelance work, interest earned on investments, as well as funds you receive from other sources such as family.

Then figure out where your money goes. Track all of your daily expenses for a month—every cup of coffee and bus ticket. Write down what you spend each day and what it is for. Use a spreadsheet. Account for every penny. Your expenses will fall into three categories:

1. Fixed needs
2. Variable needs
3. Wants

Fixed needs are necessary and usually the same from month to month. They include expenses such as rent, phone bill, car payment, student loan payment, credit card payment, and electric bill.



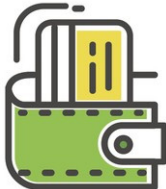





Variable needs are also necessities but they are not the same from month to month. They include expenses such as gas, food, pet supplies, and necessary clothing.

Wants, on the other hand, are nonessential expenses. They might include meals at restaurants, movies, gym memberships, electronics, gifts, and unnecessary clothing.

Add the total amount of money you spend in a month on fixed needs, variable needs, and wants. Then subtract your monthly expenses from your monthly earnings. If you have a surplus—money left over after your expenses—you are in good shape.

However, you still may be able to cut back on unnecessary expenses and save money. If you are in the red, which means your expenses are greater than your earnings each month, you need to reduce expenses, increase your earnings, or both.



NEEDS	WANTS
<p data-bbox="399 319 635 362">Rent/Mortgage</p>  <p data-bbox="455 670 579 713">Utilities</p>  <p data-bbox="357 1019 677 1062">Credit Card Payments</p> 	<p data-bbox="971 319 1312 362">Dinners at Restaurants</p>  <p data-bbox="895 670 1387 713">Expensive/Unnecessary Clothing</p>  <p data-bbox="1013 1019 1270 1062">Gym Membership</p> 
FINANCIAL GOALS	
<p data-bbox="458 1461 576 1504">Savings</p> 	<p data-bbox="950 1461 1337 1504">Payments to Reduce Debt</p> 



Sample Budget	
<i>Monthly Income:</i>	
Household net wages	\$2,880
Other (babysitting)	\$120
Total	\$3,000
<i>Monthly Expenses:</i>	
Rent/mortgage	\$800
Car loan	\$260
Student loan	\$220
Car insurance	\$160
Cell phone	\$80
Internet	\$50
Cable	\$120
Utilities	\$270
Food	\$360
Clothing	\$190
Entertainment	\$400
Other (gifts, etc.)	\$80
Total:	\$2,990
Monthly income (\$3,000) minus expenses (\$2,990) = \$10	

This sample budget cuts expenses very close to income, with just \$10 left over every month to put into savings or pay off debt. Changes need to be made to this budget to free up money for savings. Use the following work sheet to calculate your own budget.



BUDGET WORKSHEET

Month/Year: _____

Monthly Income

Wages _____

Tips _____

Other Income _____

TOTAL MONTHLY INCOME _____

Monthly Expenses

HOUSING

Mortgage/Rent _____

Utilities (Electricity/Water) _____

Credit Cards _____

Insurance (Homeowner's, Renters, etc.) _____

Loan Payments _____

Other Housing Expenses (Cable, Internet, etc.) _____

FOOD

Groceries/Household Supplies _____

Restaurant and Other Food _____

TRANSPORTATION

Public Transportation _____

Vehicle Loan _____

Gas for Personal Vehicle _____

Parking, Tolls, etc. _____

Maintenance & Supplies (oil, etc.) _____

Vehicle Insurance _____

HEALTH

Health Insurance _____

Medicine/Prescriptions _____

Other (Dental, Vision, Copays) _____

PERSONAL

Childcare or Support _____

Other Family Support _____

Laundry _____

Clothing, Shoes, etc. _____

Charitable Gifts, Donations, etc. _____

Entertainment (Movies, etc.) _____

Other (Haircuts, etc.) _____

DEBT & FINANCE

Debt (Credit Cards, etc.) _____

Student Loans or Other Debts _____

Fees (Bank, Credit Card, Debit) _____

Prepaid Cards, Phone Cards, etc. _____

MISCELLANEOUS EXPENSES

Supplies (School, etc) _____

Pet Care _____

Other _____

TOTAL MONTHLY EXPENSES _____**TOTAL MONTHLY INCOME** _____subtract your **TOTAL MONTHLY EXPENSES** _____

= _____





MONTHLY EXPENSES
template



INCOME +

- SALARY
- EXTRA INCOME

EXPENSES -

	ELECTRIC		AUTO MAINTENANCE
	WATER		OIL
	FOOD		PHONE
	CREDIT CARD		INTERNET
	HOUSE		MEDICAL
			TRANSPORTATION

SAVINGS ↓





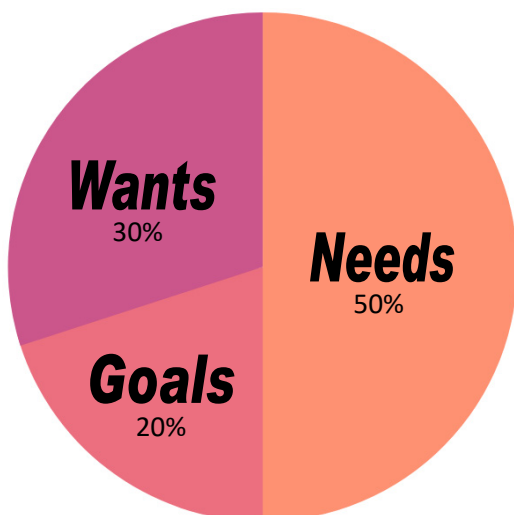
Other Budgeting Strategies

Some money experts believe in a simple method called the 50/30/20 rule to

keep you from spending more than you earn.

According to this rule, you should budget your after-tax earnings (net income) in this way:

- **Needs** should be 50 percent of your net income
- **Wants** should be 30 percent of your net income
- **Financial goals** (savings and debt reduction) should be 20 percent of your net income



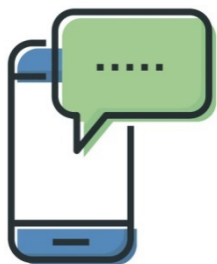
These ratios are the maximum you should spend on these categories—if you can get by with less, you can save more. When following the 50/30/20 rule, you should consider where any new expense fits into these three categories. If you cannot fit it into the appropriate ratio, it does not fit into your budget.

This plan is flexible, especially if you are still trying to get your finances under control. Your needs may consume more than 50 percent of your net income, for example, leaving you less to devote to financial goals. When you are in a better financial position, adjust your ratios to move closer to 50/30/20.

Keeping your “needs” at 50 percent of your take home pay helps you if you become injured or unemployed, since most disability payments and unemployment benefits will only be 50 percent of your regular salary.

See page 62 for a budgeting chart of the 50/30/20 rule for various income levels.





Budgeting & Savings Apps

There are many tools available to help you budget your money and save money.

Budgeting Apps

These services offer real-time tools so you can see how you are spending your money each month and can alert you if you are overspending.

Some of these budgeting apps are free, but some might have a cost. Sometimes the cost is worth it if the app works really well for you. You can try a few different apps to see which one best fits your needs and your budgeting goals.

Some of the most popular budgeting apps are:

- **Buxfer:** buxfer.com
- **Digit:** digit.co
- **EveryDollar:** everydollar.com
- **GoodBudget:** goodbudget.com
- **Honeydue:** honeydue.com
- **Mint:** mint.intuit.com
- **Mvelopes:** mvelopes.com
- **PearBudget:** pearbudget.com

- **Personal Capital:** personalcapital.com
- **PocketGuard:** pocketguard.com
- **Wally:** wally.me
- **YNAB (You Need a Budget):** youneedabudget.com

Saving Apps

These services offer tools to help you save money. Maybe you're on a tight budget and you want to save wherever you can to create a "rainy day fund." Maybe you want to save for a large purchase like a special trip or a down-payment on a car.

Some of these apps round up your purchase to the next dollar and add the change to your savings account. If you've ever cashed in a change jar, you know how much these few cents can add up.

Be sure to review the terms carefully, since some savings apps charge a monthly fee for their service.

These savings apps can help you reach your goal:

- **Acorns:** acorns.com
- **Aspiration:** aspiration.com



- **Capital One 360 Savings:**
capitalone.com
- **Chime Bank:** chimebank.com
- **Clarity Money:**
claritymoney.com
- **Digit:** digit.com
- **Empower Finance:**
empower.me
- **Mint:** mint.com
- **Qapital:** qapital.com
- **Stash:** stashinvest.com
- **Trim:** asktrim.com
- **Twine:** twine.com
- **Varo :** varomoney.com



Ways to Cut Back

When you look at your income and spending, you may see that you need to cut back. You might not have any money left at the end of the month. Look first at your list of wants. What can you eliminate?

How much money do you spend eating out?

Are you spending a lot on smoothies or coffee every week? What about clothes and shopping? Could you cut back on these?

If you buy a coffee every morning on the way to work, at \$3 each, that works out to \$780 per year. If you eat out for lunch every day, and spend \$15 per day, that's \$3,900 per year. If you cut back on going out for coffee and lunch, just 3 days a week, that would be an extra \$2,808 in your bank account each year. Purchasing a good coffee maker and brewing it yourself will easily cut costs.

Scrutinize your spending on unnecessary items or activities

You may be able to save some of this money instead of spending it. For example, you may drop several dollars a week into vending machines for snacks during work hours. Instead, keep a supply of inexpensive snacks on hand. A box of granola bars purchased from a grocery store is much less expensive than purchasing individual bars on the go.

You may decide that some of these wants should become goals that you can save for over time. Instead of buying the latest video game as soon as it's released, try making this a short-term goal and setting aside money from each paycheck. Set limits



on how much you spend on wants, such as restaurant meals or movies, and see if this helps you balance your budget.

Try substitution instead of outright elimination

Research a less-expensive gym, or quit the gym and put the membership fees toward the purchase of home fitness equipment.

Are you paying for a streaming service to listen to music without ads? Consider using a free service instead; the interruptions are a small inconvenience if you can save money. Or, see if your local library makes music and movie streaming services available to their library card holders.

Online thrift stores are becoming more and more popular, where you can buy gently used clothing at the fraction of the cost of buying new.

Avoid temptation and move money into savings first

If your employer offers direct deposit, set up an automatic deposit into your savings account. That way it will be less of a temptation to spend. If your employer does not offer direct deposit, you can do it yourself by transferring money into your savings account when you deposit each pay check.

If reducing “wants” is not enough, you may have to adjust variables

Maybe, for example, you can reduce car trips to save money on gas, or you can take public transportation more often to avoid parking fees. Share transportation expenses by carpooling with coworkers, if possible.

In some cities, you may be able to enroll in a car-sharing service, or use on-demand car services. These solutions relieve you of the expense of car payments, fuel, repairs, and car insurance.

Some areas offer alternative transportation, such as bike-sharing programs, that may also work for you. Your situation may allow you to use a variety of these transportation solutions and greatly reduce your expenses.

Here are some tips to cut back on your grocery bills:

- Choose less-costly brands
- Look for coupons for products you buy
- Shop at a discount store
- Examine store circulars to find the best prices and buy what's on sale
- Plan your meals for the week to take advantage of sales and avoid wasting food



- Make a shopping list and stick to it, to avoid expensive impulse purchases
- Brown bag your lunch instead of going to restaurants
- Buy in bulk
- Compare prices between different grocery stores, and maybe save by shopping at a different store
- Try curbside pickup. You can shop online for what you need and pick it up at the store. Most grocery stores offer this service for free, and it helps to limit impulse purchases.

If you usually throw away fresh fruits and vegetables because they spoil before you eat them, shop for frozen or canned produce, or buy seasonal fresh produce, which is usually less expensive.

Larger packages of food and other items are usually less costly. Check the store shelf for the unit price. The unit price tells you how much each unit, such as an ounce, of the item costs. A large box of cereal, for example, may cost more than a small box, but the cost per ounce might be much less. If small boxes are on sale, however, the unit price may be lower.

The same is true of proteins. Meats are often expensive, but they can be more affordable if you purchase large packs. Separate the meat into smaller

portions—the amount you will cook for a meal—wrap it in freezer paper or bags, and freeze it. You may also consider cooking it all at once before freezing it to save time later. You could also freeze portions for two meals and have the leftovers for lunch the next day.

You can also save money by going meatless occasionally. Substituting beans, eggs, or another protein for meat once or twice a week will save on your grocery bill.

Use the 24-hour rule

Wait 24 hours before making non-essential purchases. If you're looking at an item online, add it to your cart but wait until the next day to decide if you really want it. Waiting a day can help you cut down on unnecessary impulse purchases.

Learn to fix things instead of replacing them

You can find library books and online tutorials about almost any subject. Learn to sew on a button, change a tire, fix a leaky faucet, or remove a carpet stain.

Substitute handmade gifts/services for store-bought

Offer help, such as babysitting, to new parents instead of buying toys or clothes. Learn to knit or crochet and make clothing, toys, and housewares



to serve as gifts. Cook or bake for friends. Organize a potluck instead of dinner at a restaurant.

Find a less-expensive housing option

The cheapest apartment is not always the best—your safety is important, as is the location where you live. If you live close to where you work or go to school, you will probably save on transportation.

You may want to get a roommate to share expenses. Start with people you already know, including friends, family, and coworkers, who may want to share a place or can recommend someone. Consider moving in with your parents or other relatives, at least temporarily, to save money.

Other ways to save include shopping for utilities if you are able, substituting a pay-as-you-go cell phone for a monthly contract, and shopping for less-costly insurance. You might consider cutting out cable and subscribing to a streaming service for entertainment.

Look at any fees you pay

Debit cards are convenient, but you may incur charges when using them. Your financial institution may let you make a set number of debit payments a month without adding fees, but it may charge you for using the debit card other times.

If you are racking up debit card fees, consider using a cash system—withdraw the money you can spend each pay period in one transaction. Find out if your financial institution offers any other ways to avoid fees when using your debit card. You may be able to replace the card with a debit/credit card. Making transactions as credit charges still limits you to spending only money that is in your account, but you may avoid debit fees with these purchases. Credit transactions also provide consumer protection. This means the credit company will help you in a dispute about a purchase with a merchant.

You may also pay fees for bank accounts, so it pays to shop around. Some banks offer free checking accounts to customers with direct deposit. You may be offered overdraft protection, which covers you if you try to use more money than you have in your account. The bank will allow the transaction to go through and cover your shortfall, but will charge a fee to your account in addition to the money you now owe. You can protect yourself from overdraft fees by keeping a careful watch on spending.

Comparison shop for insurance

When your auto insurance policy is up for renewal, get quotes from three other insurers to make sure you're getting the best deal. Do the same



for your homeowners insurance when your policy is ready for renewal.

Ways to save on entertainment

There are many ways to save and still have fun!

Call your cable provider and explore alternate plans for a lesser fee.

Consider streaming options, like Netflix, Amazon Prime, Hulu, or Sling as an alternative to cable.

Explore your cellular options. You may be able to save by switching carriers or switching plans. If you're not using very much data, you may be wasting money on an unlimited data plan. But, pay attention to fees. If you are paying overage fees for data, you're probably not in the right plan. You can also put a cap on your data plan, so if you reach your limit, you have slower access until you reach your next billing cycle.

Visit your library. Your library most likely has a wide selection of DVDs and audio books in addition to physical books, all for free. Many libraries also participate in free pass programs where you can "check out" a free or reduced cost pass to a local attraction or museum. Your local library might also offer free access to music and movie streaming.

Stay in with friends. Consider a game night and spend the night in; this can

be far less expensive than a night out on the town.

Visit museums and national parks, which are usually free or low-cost. Go hiking or have a picnic. Be creative!



Review Your Budget Periodically

Once you set up your monthly budget and put it to use, you'll want to review your budget every so often to make sure it still makes sense.

- If you get a raise, or pick up more hours at work, you can adjust your budget to put more money into savings, or add a new savings goal.
- What if the prices of what you buy regularly increase? In early 2022, consumers are spending more at the grocery store, paying more at the gas pump, and spending more on almost everything, because of inflation. If your budget was created a few years ago, you may need to make some changes now to account for these higher prices.

If you notice that your budget doesn't fit your current situation, make a new worksheet of your



current income and your current expenses so you can set up a new budget that fits your needs now.



Credit Cards & Debt

Credit cards are convenient, but they are also costly. While you may need to use a credit card for unexpected expenses, such as a car repair, you will have to pay back the amount you charged with interest.

Credit card debt is a loan with an open-ended or rolling repayment date. Payments are usually made monthly. Lenders charge interest, which is a percentage of the amount you have borrowed. You have to pay back the principal, or the amount you have borrowed, as well as the interest. If you charge \$100 on your credit card, which has an interest rate of 10 percent, you owe \$110 if you pay it back right away. But credit card companies charge customers compound interest, which may be calculated monthly. This means that you will have to pay interest on the principal and interest on the interest, which increases every month that you don't pay off the debt.

Compound interest can balloon quickly. If you decide to use a credit card—or several cards—you may find

yourself facing larger and larger payments as the interest increases. Sometimes people can't pay other bills because their credit card payments get too big for them to manage. They start using credit cards to pay for needs such as utilities and groceries, and struggle as even more interest adds up.

You may not need a credit card at all. If you decide to keep one for emergencies, choose one with a low interest rate, or choose a prepaid card. The higher the interest rate, the more interest you will pay. Try to pay the bill off every month, or in as few payments as possible. Don't use your credit card for "wants."

If you already have credit card debt, make eliminating it a priority. You may feel a greater sense of accomplishment if you focus on paying off one card at a time. Pay down the card with the lowest balance. You may have to make the minimum payment on other cards to do this, but paying off one card will remove one weight from your shoulders. Then, immediately focus on eliminating debt on another card, and keep going.

You may also want to ask the card issuer for a lower interest rate. The creditor is more likely to do this if you have not missed payments and have a credit score of 730 or more. If you receive an offer of another card with a



lower rate, you can also ask your creditor to match the offer.

Websites such as [lowcards.com](https://www.lowcards.com) and [bankrate.com](https://www.bankrate.com) allow you to compare credit cards. Some card issuers offer low introductory interest rates for a year or more. If you will be able to pay off a higher-interest card in that time, you may want to transfer the balance to a lower-interest card.

[Smartbalancetransfers.com](https://www.smartbalancetransfers.com) is a site that can help you calculate any balance-transfer fees to see how it will affect your debt. You also should not use the card for new purchases if the lower interest rate does not apply to these charges. In any case, the goal is to reduce credit card debt, so avoid new charges if at all possible.

Another strategy to pay down credit card debt is to try to make two minimum payments a month for the same card. If you can afford to do so frequently, you will see progress more quickly. As an example, a \$2,000 charge on a card with a 17 percent interest rate will be paid off in about twenty-one years if you only pay the minimum each month. If you make the minimum monthly payment twice a month, however, you will pay the card off in about three years—eighteen years sooner! And the compound interest will be much less.

Some credit cards offer an introductory interest rate of 0

percent. This means you won't pay any interest on the card for a period of time, often a year or longer. Consider a balance transfer to one of these credit cards. You need a good credit score to qualify, however.



Credit Counseling Services & Debt-Consolidation Agencies

Some people decide to use credit counseling services and debt-consolidation agencies to reduce credit card debt. Some of these services charge fees, while many communities also have free counseling services.

Before going this route, however, consider the risks. Such businesses are not regulated in some states, so the people operating them may not have any expertise or training. These debt managers may suggest a debt management plan (DMP). This allows you to send one check to the counseling company, which forwards payments to creditors. The counselor may negotiate lower interest rates or lower monthly payments for you, but he or she may also charge you start-up fees or monthly fees for service. Your participation in a DMP will also be noted on your credit report, and



failure to make a DMP payment will remain on your credit report for seven years.

In short, choose any agency or company carefully, read the fine print, and be sure you understand how the company is making money from clients.

Also check the Better Business Bureau's website (bbb.org) or your state attorney general's office to see if any complaints have been filed against the company. You can also consult the list of Approved Credit Counselors in *Financial Literacy Basics: Managing Debt*, another title in this series.

In many cases, the Internal Revenue Service (IRS) counts forgiven debt as income. If an agency reduces your debt, you may have to pay taxes on it. If you don't pay the taxes, you could end up with IRS penalties and you'll have to pay interest on the unpaid taxes, too.



Set Goals

Once your debt is under control, consider your financial goals. You

might want to save for a specific event or purchase, or reduce debt by making larger payments on credit cards or loans, such as car loans, student loans, and mortgages. This can help you avoid paying more interest on the loans and free up that money for other uses.

There are three types of financial goals:

1. **Short-term goals**
2. **Mid-term goals**
3. **Long-term goals**

Short-term goals are those you can reach in less than a year. **Mid-term goals** may take from one to three years to reach. **Long-term goals**, on the other hand, take many years to reach. A short-term goal may be to pay off a credit card. A mid-term goal might be to pay off a student loan or a car loan. Saving money for retirement is a long-term goal.





SMART: Specific, Measurable, Achievable, Realistic, and Timely

Your goals should be SMART. A goal is specific when you can track its progress and know when you have reached it. A measurable goal is concrete; rather than setting a goal of getting rich, set a goal of saving a specific amount of money.

A goal that is achievable is something you can make plans toward attaining, such as saving a set amount each week. A realistic goal is one you can expect to reach. Timely means that you should set a timeframe for your goal.

You may decide you have several financial goals, such as paying debt and saving money. In this case, you should consider your needs and prioritize your goals. Debt usually grows because of interest you must pay, so you may decide to prioritize paying off loans or credit cards to save money in the long run. Perhaps you need to save for a car, which will allow you to get another job and earn more money so you can pay debts faster overall. This makes transportation a higher priority than paying down your debt.

Though you may not have all the information you need about these goals while you make your budget, you can figure them out along the way. You may reevaluate your priorities as you better understand your financial situation.



Do the Math

Once you know your monthly earnings and expenses, divide your fixed and variable needs by four to calculate your weekly expenses. This helps you see how much money you need to save each week to pay your monthly expenses. If your share of the rent is \$400 a month, for example, you must set aside \$100 a week for rent.

Whatever is left after you subtract your weekly needs is money you can use to pay down debt, spend on wants, save for emergencies, or use to meet your goals. This is the time to prioritize your SMART goals and calculate how much you need to save each week to achieve them.

A weekly budgeting strategy (fifty-two weeks a year) may not suit your needs. If you are paid on a different schedule—for example, biweekly (twenty-six pay periods a year)—you may wish to create a budget strategy that better reflects your pay schedule. If you are paid twice a month, divide



your monthly earnings and expenses by two to calculate how much of each paycheck you need to use to pay your bills.

In the sample budget on page 6, monthly debt is \$2,990. Divided by four weeks, you would need \$747.50 a week for expenses. If you are paid every two weeks, \$1,495 of every paycheck goes to pay expenses.



Budget Methods

Your budget tracker can be as simple as a notebook with

columns for what you spend money on, how much you spend, and how much you save. A notebook has several advantages, including access—you can enter information any time without having to log in or load programs. You might find that a notebook is all you need, or you can combine a variety of methods that work for you.

If you prefer to use cash for all or most of your spending, use envelopes to budget and save. Label all the envelopes, and put the money budgeted for those expenses in each one. If you need \$400 a month for rent, for example, put \$100 in the rent envelope every week. If the envelope for entertainment is empty, for example, spending on that want ends

until the next paycheck. You might find it easier to stick to a budget when you literally hold in your hands the money you have for expenses and know exactly how much is left after the bills are paid.

Avoid late fees and banking fees. As long as you pay your bills on time, you will avoid late fees that can add up over time. Keep careful track of your checking account balance to avoid expensive overdraft fees.

A variety of apps and software—both free and paid—are available to help you set up and maintain your budget. Some allow you to pay your bills through the app, which automatically deducts the amounts so you can easily see what you have left. Some apps let you set limits on spending categories, such as entertainment or clothing purchases, that can help you stay on track with spending on your wants.

These apps can be especially useful if you use a debit or credit card and need to record these payments. For example, Intuit offers a free budgeting app at mint.com that allows you to track spending and pay your bills, and reminds you when payments are due. (Intuit owns TurboTax, so data entered into Mint can be loaded directly into tax software if you choose to use it.) Quicken offers both software and a mobile app to create and maintain a



budget. GnuCash offers free software that is compatible with Windows, OSX, and Linux operating systems as well as an app.

Many apps and software programs will create personalized charts to help you analyze spending habits.

Mymoney.gov, the website of the Federal Financial Literacy and Education Commission, also provides tips and links to a variety of tools for financial planning, including budgeting worksheets and calculators.

Budgeting Software & Apps
Albert
Buxfer
CountAbout
EveryDollar
GnuCash
GoodBudget
Honeydue
Mint.com (Intuit)
MoneyDance
Moneyspire
Mvelopes
Personal Capital
PocketGuard
Prism Money
Simplifi by Quicken
Wally
YNAB (You Need a Budget)
Zeta

If you have a computer with a spreadsheet program, you can create and maintain your own budget spreadsheet. Microsoft and Google both have simple budget templates. *Kiplinger's* magazine offers a free budget planner at:

www.kiplinger.com/tool/spending/T007-S001-budgeting-worksheet-a-household-budget-for-today-a/. Once you enter your income and expenses, you can download the information in a spreadsheet.

The American Institute of CPAs has created www.360financialliteracy.org, a consumer money management website. It offers a number of resources in its Toolbox, such as an Excel budget worksheet and a collection of calculators to help you set savings goals, figure out how much you can save by bagging lunch, compare the cost of renting vs. owning, and calculate how much you pay in interest when you make only minimum credit card payments.

The Federal Trade Commission makes several free tools available on the consumer.gov website. Visitors can view helpful information about Managing Your Money; Credit, Loans & Debt; and Scams and Identity Theft.





Sticking to Your Budget

Cutting back on expenses can make sticking to a

budget a chore. You may feel as if you are punishing yourself by eliminating things you enjoy in order to save money. If you feel this way, you may have made your budget too restrictive. Make sure to build in a little fun.

Don't give up! Instead, try setting short-term goals to reward and motivate yourself. Check the progress you are making on long-term goals to remind yourself of how much you are accomplishing by sticking to your budget, and focus on how happy you will be when you achieve these goals.

Budget a small amount for a monthly splurge on something that makes you happy. This might be a music download, some inexpensive cut flowers, or a favorite food item. Having rewards to look forward to makes saving less of a chore.

You can use different methods to track spending and saving. You might even use several methods, such as an app to track spending as you go about your day, and a notebook in which to record it later. Only you know what works best for you. The

important thing is to develop a system and stick to it.

You may need some time to set up your budget and see benefits. Don't be discouraged if you are still adjusting your budget after several months. You will need to reexamine your spending and savings goals in response to life changes, such as changes in employment or increases in costs such as rent or gas. Take it step by step and adjust as needed.

Take a look at your spending habits once a month. You may see certain trends that you didn't notice at the time, such as unplanned restaurant meals because you didn't have time to shop for groceries. Think about how to avoid such expenses. You can plan your meals for the whole week so you will not have to shop several times, or cook extra and freeze meals for another day.

If you have a checking account, you can have money from your paycheck automatically moved from the checking account to a savings account. This can help you save because it's more difficult to get to the money once it's already put aside. You may also want to set up a special savings account for mid-term and long-term goals such as tuition or a down-payment on a house.





Creating a Budget with your Partner or Spouse

It can sometimes be difficult to discuss finances with your partner or spouse. But, having a conversation about finances, and setting goals together, can help avoid financial arguments down the road.

Here are some tips to make the “money conversation” a little easier.

- Create a monthly budget together.
- Talk about your S.M.A.R.T goals together (see page 19).
- Review the budgeting apps that can help you and your partner get a sense of your monthly spending. Some of the more popular ones for couples are Zeta, You Need a Budget, Honeydue, and GoodBudget.
- Schedule time weekly or monthly to review your budget and your financial goals together.
- Allow room for individual and joint discretionary spending. This often means being flexible

so that you are both satisfied with your budget.

- Another guide in the Financial Literacy Series, *Financial Planning for Major Life Events: Living Together, Getting Married & Starting a Family*, offers some additional helpful information about managing finances with a spouse or partner.



Banking Tips

- Choose a financial institution that offers free checking. If you set up direct deposit of your paycheck, many banks will not charge fees. Many credit unions offer free membership based on where you live or work.
- Set up automatic weekly or monthly payments to your savings accounts for long-term goals.
- Ask your financial institution about setting up automatic payments to special savings accounts, such as holiday or vacation accounts, to save for mid-term or short-term goals. The bank or credit union will



give the money to you at a set time. For example, you can set up a vacation savings account and have the money sent to you in June, just in time for summer vacation.

- Websites such as Nerdwallet.com allow you to compare benefits of various financial institutions. Look for those with interest-earning accounts where your savings can grow. You may have to maintain a minimum balance to earn interest.
- Find a bank that lets you pay bills online. This will save on stamps and you can transfer the money conveniently and quickly.



Teaching Kids About Money

Even small children can learn about the value of money and the concept of saving. Here are some ideas to help parents talk to their children about money and help them develop good money habits.

Pre-K & Kindergarten

- Create a Savings Jar. A clear jar works best, so kids can see

the money they're collecting and watch it add up. You can set a short-term savings goal, like a toy or stickers. Earning money for chores or good behavior and saving up for a reward can help kids understand the importance of being patient and gets them thinking about the concept of saving.

Elementary School

- Kids are always listening, even though it may seem otherwise. Talk to your kids as you're shopping, point out how this item costs less than another. Compare the price of buying an item in bulk versus single serving.
- Continue to use the savings jar, but with larger goals. If your child really wants that new video game, help them set up a savings goal. With larger items, you can match what they earn for chores or good behavior.
- Talk with your kids about ways to spend less money. Can we borrow a book from the library instead of buying it? Should we skip going to the ice cream parlor because we have ice cream at home?



- Start a giving jar. Kids can save money to donate to a charity, a friend in need, or a good cause.

Middle School

- Teach children about compound interest. There's a free calculator available at [investor.gov](https://www.investor.gov), so you can illustrate how their money would grow if they invested it.
- Continue to help children set long term savings goals, like a week at summer camp or a new bicycle. Remind them that saving money means making choices. Do you really need that toy today if you can put that money towards a larger, more important purchase?

High School

- Set up a bank account with your child. You can monitor any activity to make sure they are managing their money responsibly.
- Help your child create a budget that includes how much they are earning and how much they are spending on various items. Good budgeting practices now will lead to better money management throughout adulthood.

- A part-time job in high school will help children learn about responsibility and help them save for college. Set a savings goal for their college fund, like contributing 20 percent of each paycheck.
- Talk to children about the cost of college. What is the cost difference between a community college or a four-year school out of state?
- Have conversations about how much you can contribute to their college education. Talk about which schools make sense for your budget. Talk about student loans and how much they will cost to pay back.
- Talk about credit cards, and the costs associated with their use. Credit cards should only be used if you can pay the bill in full every month. The earlier children learn about using credit cards responsibly, the better.





Student Loans

Many young people take out student loans to pay for college.

These loans may be federal or private. Paying back several student loans is expensive and can take a chunk of money out of your budget. You may be able to consolidate student loans or make other changes to reduce interest rates. This lowers your monthly payment and makes it easier to pay back your student loans.

Many student loans have a six-month grace period, which means you won't have to begin paying until six months after graduation. If you don't graduate—you drop out, or become a part-time student instead of full-time—you will still have to pay back the loan.

If you have extra money left over each month, consider making more than the monthly payment to reduce your student loan debt more quickly.

If you do not have enough money in your budget to make your payments, you may be eligible for an income-based repayment (IBR) plan. This means the payments are based on how much you earn. You may also be able to temporarily stop making payments for a few months if you have financial difficulty, but the interest will continue to accrue, or

build up. You can work with your lender to set up an extended repayment plan or other option, but be sure to ask questions and understand the terms, so you know how any change affects you.

Ask your loan provider about automatic payments. You may be able to get a rate reduction by making payments this way. You will also save time because you won't have to physically mail the payment each month; it will automatically be deducted from your bank account. You have to remember, however, to deduct the amount from your bank balance.

Student loans are not like other loans. They aren't eliminated if you declare bankruptcy, and the lender won't write them off if you don't pay them. You may be charged penalties for nonpayment.

If you default on a federal student loan, the government can garnish, or take, up to 15 percent of your wages. This means the government has your employer hold back the money and send it to the lending agency.

In some cases, a portion of your loan may be forgiven if, for example, you work in the military, law enforcement, or public education sectors. If you find yourself struggling with a loan, contact the lender to discuss your options as soon as possible.



Refer to another volume in this series, *Financial Literacy Basics: Calculating the Cost of College & Understanding Student Loans* for more information about loan options and guidance on paying them back.





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BUDGET WORKSHEET FOR HIGH SCHOOL STUDENTS

Month/Year: _____

Monthly Income

Wages	
Tips	
Allowance	
Other Income	
TOTAL MONTHLY INCOME	

Monthly Expenses

HOUSING

Housing Expenses	
Other	

FOOD

Groceries/Household Supplies	
Restaurant and Other Food	

TRANSPORTATION

Public Transportation	
Vehicle Loan	
Gas for Personal Vehicle	
Parking, Tolls, etc.	
Maintenance & Supplies (oil, etc.)	
Vehicle Insurance	

HEALTH

Medicine/Prescriptions	
Other	

PERSONAL

Laundry	
Clothing, Shoes, etc.	
Entertainment (Movies, etc.)	
Other (Haircuts, etc.)	

EDUCATION

School Supplies	
Saving for College	
Other Education Expenses	

DEBT & FINANCE

Debt (Credit Cards, etc.)	
Fees (Bank, Credit Card, Debit)	
Prepaid Cards, Phone Cards, etc.	

MISCELLANEOUS EXPENSES

Other Supplies	
Contribution to Savings	
Pet Care	
Other	

TOTAL MONTHLY EXPENSES

TOTAL MONTHLY INCOME

subtract your **TOTAL MONTHLY EXPENSES**

=

*Each individual's budgeting needs are unique. You can add in additional lines for other expenses to meet your needs.



BUDGET WORKSHEET FOR COLLEGE STUDENTS

Month/Year: _____

Monthly Income

Wages _____

Tips _____

Other Income _____

TOTAL MONTHLY INCOME _____

Monthly Expenses

HOUSING

Mortgage/Rent _____

Utilities (Electricity/Water) _____

Insurance (Homeowner's, Renters, etc.) _____

Other Housing Expenses (Cable, Internet, etc.) _____

FOOD

Groceries/Household Supplies _____

Restaurant and Other Food _____

TRANSPORTATION

Public Transportation _____

Vehicle Loan _____

Gas for Personal Vehicle _____

Parking, Tolls, etc. _____

Maintenance & Supplies (oil, etc.) _____

Vehicle Insurance _____

HEALTH

Health Insurance _____

Medicine/Prescriptions _____

PERSONAL

Childcare or Support _____

Laundry _____

Clothing, Shoes, etc. _____

Entertainment (Movies, etc.) _____

Other (Haircuts, etc.) _____

DEBT & FINANCE

Debt (Credit Cards, etc.) _____

Fees (Bank, Credit Card, Debit) _____

Prepaid Cards, Phone Cards, etc. _____

MISCELLANEOUS EXPENSES

Pet Care _____

Other _____

EDUCATION EXPENSES

Student Loans or Other Debts _____

Books & School Supplies _____

Other Education Expenses _____

TOTAL MONTHLY EXPENSES _____

TOTAL MONTHLY INCOME _____

subtract your **TOTAL MONTHLY EXPENSES** _____

= _____

*Each individual's budgeting needs are unique. You can add in additional lines for other expenses to meet your needs.



BUDGET WORKSHEET FOR A SINGLE PERSON HOUSEHOLD

Month/Year: _____

Monthly Income

Wages	
Tips	
Other Income	
TOTAL MONTHLY INCOME	

Monthly Expenses

HOUSING

Mortgage/Rent	
Utilities (Electricity/Water)	
Insurance (Homeowner's, Renters, etc.)	
Other Housing Expenses (Cable, Internet, etc.)	

FOOD

Groceries/Household Supplies	
Restaurant and Other Food	

TRANSPORTATION

Public Transportation	
Vehicle Loan	
Gas for Personal Vehicle	
Parking, Tolls, etc.	
Maintenance & Supplies (oil, etc.)	

HEALTH

Vehicle Insurance	
Health Insurance	
Medicine/Prescriptions	

PERSONAL

Other (Dental, Vision, Copays)	
Childcare or Other Support	
Laundry	
Clothing, Shoes, etc.	
Charitable Gifts, Donations, etc.	
Entertainment (Movies, etc.)	
Other (Haircuts, etc.)	

DEBT & FINANCE

Debt (Credit Cards, etc.)	
Student Loans or Other Debts	
Fees (Bank, Credit Card, Debit)	
Prepaid Cards, Phone Cards, etc.	

MISCELLANEOUS EXPENSES

Supplies (School, etc)	
Pet Care	
Other	

TOTAL MONTHLY EXPENSES

TOTAL MONTHLY INCOME	
subtract your TOTAL MONTHLY EXPENSES	

=

*Each individual's budgeting needs are unique. You can add in additional lines for other expenses to meet your needs.



BUDGET WORKSHEET FOR A TWO-PERSON HOUSEHOLD

Month/Year: _____

Monthly Income

Wages (include wages for both individuals) _____
 Tips _____
 Other Income _____
TOTAL MONTHLY INCOME _____

Monthly Expenses

HOUSING

Mortgage/Rent _____
 Utilities (Electricity/Water) _____
 Insurance (Homeowner's, Renters, etc.) _____
 Other Housing Expenses (Cable, Internet, etc.) _____

FOOD

Groceries/Household Supplies _____
 Restaurant and Other Food _____

TRANSPORTATION

Public Transportation _____
 Vehicle Loan _____
 Gas for Personal Vehicle _____
 Parking, Tolls, etc. _____
 Maintenance & Supplies (oil, etc.) _____

HEALTH

Vehicle Insurance _____
 Health Insurance _____
 Medicine/Prescriptions _____
 Other (Dental, Vision, Copays) _____

PERSONAL

Childcare or Support _____
 Other Family Support _____
 Laundry _____
 Clothing, Shoes, etc. _____
 Charitable Gifts, Donations, etc. _____
 Entertainment (Movies, etc.) _____
 Other (Haircuts, etc.) _____

DEBT & FINANCE

Debt (Credit Cards, etc.) _____
 Student Loans or Other Debts _____
 Fees (Bank, Credit Card, Debit) _____
 Prepaid Cards, Phone Cards, etc. _____

MISCELLANEOUS EXPENSES

Supplies (School, etc) _____
 Pet Care _____
 Other _____

TOTAL MONTHLY EXPENSES _____

TOTAL MONTHLY INCOME _____

subtract your **TOTAL MONTHLY EXPENSES** _____

= _____

*Each individual's budgeting needs are unique. You can add in additional lines for other expenses to meet your needs.



BUDGET WORKSHEET FOR A HOUSEHOLD WITH CHILDREN

Month/Year: _____

Monthly Income

Wages	
Tips	
Other Income	
TOTAL MONTHLY INCOME	

Monthly Expenses

HOUSING

Mortgage/Rent	
Utilities (Electricity/Water)	
Insurance (Homeowner's, Renters, etc.)	
Other Housing Expenses (Cable, Internet, etc.)	

FOOD

Groceries/Household Supplies	
Restaurant and Other Food	

TRANSPORTATION

Public Transportation	
Vehicle Loan	
Gas for Personal Vehicle	
Parking, Tolls, etc.	
Maintenance & Supplies (oil, etc.)	

HEALTH

Vehicle Insurance	
Health Insurance	
Medicine/Prescriptions	
Other (Dental, Vision, Copays)	

PERSONAL

Other Family Support	
Laundry	
Clothing, Shoes, etc.	
Charitable Gifts, Donations, etc.	
Entertainment (Movies, etc.)	
Other (Haircuts, etc.)	

FAMILY EXPENSES

Childcare	
School Supplies	
College Savings Account	
Other Family Expenses	

DEBT & FINANCE

Debt (Credit Cards, etc.)	
Student Loans or Other Debts	
Prepaid Cards, Phone Cards, etc.	

MISCELLANEOUS

Other	
TOTAL MONTHLY EXPENSES	

TOTAL MONTHLY INCOME	
subtract your TOTAL MONTHLY EXPENSES	
=	

*Each individual's budgeting needs are unique. You can add in additional lines for other expenses to meet your needs.



CREATE YOUR OWN BUDGET WORKSHEET

Month/Year: _____

Monthly Income

Wages _____
Tips _____
Other Income _____
TOTAL MONTHLY INCOME _____

Monthly Expenses

HOUSING

Mortgage/Rent _____
Utilities (Electricity/Water) _____
Credit Cards _____
Insurance (Homeowner's, Renters, etc.) _____
Loan Payments _____
Other Housing Expenses (Cable, Internet, etc.) _____

FOOD

Groceries/Household Supplies _____
Restaurant and Other Food _____

TRANSPORTATION

Public Transportation _____
Vehicle Loan _____
Gas for Personal Vehicle _____
Parking, Tolls, etc. _____
Maintenance & Supplies (oil, etc.) _____

HEALTH

Vehicle Insurance _____
Health Insurance _____
Medicine/Prescriptions _____
Other (Dental, Vision, Copays) _____

PERSONAL

Childcare or Support _____
Other Family Support _____
Laundry _____
Clothing, Shoes, etc. _____
Charitable Gifts, Donations, etc. _____
Entertainment (Movies, etc.) _____
Other (Haircuts, etc.) _____

DEBT & FINANCE

Debt (Credit Cards, etc.) _____
Student Loans or Other Debts _____
Fees (Bank, Credit Card, Debit) _____
Prepaid Cards, Phone Cards, etc. _____

MISCELLANEOUS EXPENSES

Supplies (School, etc) _____
Pet Care _____
Other _____

TOTAL MONTHLY EXPENSES _____

TOTAL MONTHLY INCOME _____
subtract your **TOTAL MONTHLY EXPENSES** _____
= _____



Consumer Expenditure Survey, 2020

Region of residence: Average annual expenditures and characteristics

Item	All Households	Northeast	Midwest	South	West
Number of households/consumer units (in thousands) ¹	131,234	22,965	27,907	50,574	29,788
<u>Household characteristics:</u>					
Income before taxes	\$84,352	\$95,329	\$78,558	\$78,080	\$91,964
Income after taxes	74,949	83,005	71,238	69,556	81,371
Age of reference person	52.2	53.6	52.4	51.9	51.5
<u>Average number in consumer unit:</u>					
People	2.5	2.4	2.4	2.5	2.6
Children under 18	0.6	0.5	0.6	0.6	0.6
Adults 65 and older	0.4	0.4	0.4	0.4	0.4
Earners	1.3	1.3	1.3	1.2	1.4
Vehicles	1.9	1.6	2.1	1.9	2.0
<u>Percent distribution:</u>					
Men	47	47	47	46	49
Women	53	53	53	54	51
<u>Housing tenure:</u>					
Homeowner	66	62	70	68	61
With mortgage	39	37	42	38	39



Item	All Households	Northeast	Midwest	South	West
Without mortgage	27	25	29	30	22
Renter	34	38	30	32	39
<u>Race of reference person:</u>					
Black or African-American	13	15	11	19	5
White, Asian, and all other races	87	85	89	81	95
<u>Hispanic or Latino origin of reference person:</u>					
Hispanic or Latino	14	13	6	14	22
Not Hispanic or Latino	86	87	94	86	78
<u>Education of reference person:</u>					
Elementary (1-8)	2	2	2	2	4
High school (9-12)	28	31	28	30	22
College	69	66	70	67	73
Never attended and other	(2)	(2)	(2)	(2)	1
At least one vehicle owned or leased	90	82	92	91	92
<u>Average annual expenditures</u>	\$61,334	\$68,596	\$59,667	\$55,797	\$66,769
Food	7,316	8,294	6,921	6,477	8,398
Food at home	4,942	5,803	4,664	4,310	5,639
Cereals and bakery products	640	793	619	555	688
Cereals and cereal products	212	258	200	174	253
Bakery products	428	535	418	381	435



Item	All Households	Northeast	Midwest	South	West
Meats, poultry, fish, and eggs	1,075	1,285	941	975	1,215
Beef	296	332	262	271	345
Pork	214	216	194	216	230
Other meats	142	191	137	122	143
Poultry	189	244	158	168	213
Fish and seafood	170	229	139	143	200
Eggs	64	73	51	55	85
Dairy products	474	587	454	395	541
Fresh milk and cream	147	181	136	123	171
Other dairy products	327	405	318	272	370
Fruits and vegetables	977	1,224	874	824	1,150
Fresh fruits	349	426	317	285	430
Fresh vegetables	311	399	272	249	388
Processed fruits	125	170	112	106	136
Processed vegetables	192	229	174	184	195
Other food at home	1,776	1,914	1,775	1,561	2,045
Sugar and other sweets	166	207	169	141	173
Fats and oils	133	161	121	121	141
Miscellaneous foods	973	999	991	850	1,151
Nonalcoholic beverages	455	489	440	412	518
Food prepared by consumer unit on out-of-town trips	50	58	54	37	61
Food away from home	2,375	2,491	2,257	2,167	2,759
Alcoholic beverages	478	587	500	382	539



Item	All Households	Northeast	Midwest	South	West
Housing	21,409	25,195	19,268	19,029	24,548
Shelter	12,604	15,342	10,674	10,755	15,439
Owned dwellings	7,473	8,786	6,949	6,516	8,577
Mortgage interest and charges	2,962	2,965	2,414	2,684	3,943
Property taxes	2,353	3,765	2,397	1,689	2,353
Maintenance, repairs, insurance, other expenses	2,158	2,055	2,139	2,143	2,281
Rented dwellings	4,408	5,525	3,012	3,639	6,162
Other lodging	722	1,032	713	600	700
Utilities, fuels, and public services	4,158	4,364	4,002	4,176	4,114
Natural gas	414	608	600	246	378
Electricity	1,516	1,466	1,312	1,743	1,361
Fuel oil and other fuels	105	327	84	49	49
Telephone services	1,441	1,489	1,381	1,446	1,449
Residential phone service, VOIP, and phone cards	188	282	180	172	149
Cellular phone service	1,253	1,207	1,201	1,275	1,300
Water and other public services	682	474	626	693	877
Household operations	1,465	1,523	1,380	1,401	1,605
Personal services	347	423	433	279	322
Other household expenses	1,118	1,100	947	1,123	1,283
Housekeeping supplies	837	901	922	735	882
Laundry and cleaning supplies	170	167	185	157	181
Other household products	536	582	591	467	568
Postage and stationery	130	151	146	110	133
Household furnishings and equipment	2,346	3,064	2,290	1,962	2,508
Household textiles	116	93	137	103	138
Furniture	534	506	473	538	606



Item	All Households	Northeast	Midwest	South	West
Floor coverings	30	47	29	22	31
Major appliances	354	358	339	354	365
Small appliances, miscellaneous housewares	135	131	144	115	163
Miscellaneous household equipment	1,178	1,930	1,167	830	1,205
Apparel and services	1,434	1,800	1,515	1,191	1,496
Men and boys	326	357	333	277	382
Men, 16 and over	240	258	239	203	292
Boys, 2 to 15	86	99	93	74	90
Women and girls	545	675	583	449	575
Women, 16 and over	456	565	499	370	480
Girls, 2 to 15	89	110	85	79	95
Children under 2	68	65	65	78	56
Footwear	314	458	327	250	302
Other apparel products and services	181	245	207	138	181
Transportation	9,826	9,035	10,281	9,745	10,146
Vehicle purchases (net outlay)	4,523	3,684	4,998	4,699	4,427
Cars and trucks, new	2,089	1,780	2,346	2,123	2,029
Cars and trucks, used	2,360	1,870	2,477	2,530	2,338
Other vehicles	75	34	175	46	60
Gasoline, other fuels, and motor oil	1,568	1,337	1,547	1,587	1,735
Other vehicle expenses	3,471	3,650	3,427	3,302	3,660
Vehicle finance charges	258	200	279	287	234
Maintenance and repairs	879	780	945	816	1,004
Vehicle rental, leases, licenses, and other charges	758	1,191	793	527	785



Item	All Households	Northeast	Midwest	South	West
Vehicle insurance	1,575	1,479	1,410	1,673	1,637
Public and other transportation	263	364	309	156	325
Healthcare	5,177	5,006	5,739	5,098	4,916
Health insurance	3,667	3,613	3,994	3,709	3,331
Medical services	864	784	1,017	773	938
Drugs	476	414	532	478	470
Medical supplies	170	195	197	139	178
Entertainment	2,912	3,113	3,368	2,378	3,242
Fees and admissions	425	421	392	377	539
Audio and visual equipment and services	1,049	1,077	1,126	1,005	1,031
Pets, toys, hobbies, and playground equipment	859	722	1,105	709	992
Pets	690	559	911	566	796
Toys, hobbies, and playground equipment	170	164	195	143	197
Other entertainment supplies, equipment, and services	579	892	745	286	680
Personal care products and services	646	659	673	568	747
Reading	114	128	113	106	116
Education	1,271	2,368	937	1,069	1,082
Tobacco products and smoking supplies	315	313	347	339	246
Miscellaneous	907	1,098	808	816	1,007



Item	All Households	Northeast	Midwest	South	West
Cash contributions	2,283	2,632	2,197	2,008	2,561
Personal insurance and pensions	7,246	8,367	7,000	6,591	7,724
Life and other personal insurance	486	564	499	491	404
Pensions and Social Security	6,760	7,803	6,502	6,099	7,320
Sources of income and personal taxes:					
Money income before taxes	\$84,352	\$95,329	\$78,558	\$78,080	\$91,964
Wages and salaries	65,449	74,121	61,248	60,722	70,724
Self-employment income	5,808	7,494	3,730	5,395	7,155
Social Security, private and government retirement	9,493	9,725	9,664	9,272	9,531
Interest, dividends, rental income, other property income	1,963	2,148	2,418	1,257	2,592
Public assistance, Supplemental Security Income, Supplementary Nutrition Assistance Program (SNAP)	458	451	469	402	549
Unemployment and workers' compensation, veterans' benefits, and regular contributions for support	902	1,001	696	860	1,090
Other income	278	390	334	172	322
Personal taxes (contains some imputed values)	9,402	12,324	7,321	8,523	10,592
Federal income taxes	8,812	10,660	6,772	8,670	9,538
Stimulus payment [#]	-1,911	-1,799	-1,954	-1,987	-1,828
State and local income taxes	2,430	3,394	2,382	1,764	2,861
Other taxes	72	69	121	76	21
Income after taxes	74,949	83,005	71,238	69,556	81,371



Item	All Households	Northeast	Midwest	South	West
Addenda:					
Net change in total assets and liabilities	\$3,584	\$5,913	\$2,166	\$13,399	-\$13,547
Net change in total assets	24,635	24,450	18,594	30,889	19,821
Net change in total liabilities	21,052	18,537	16,428	17,491	33,368
Other financial information:					
Other money receipts	2,042	662	1,154	3,711	1,102
Mortgage principal paid on owned property	-2,395	-2,616	-2,287	-2,130	-2,777
Estimated market value of owned home	221,708	230,603	165,446	178,781	340,438
Estimated monthly rental value of owned home	1,181	1,263	1,015	1,085	1,438
¹ Data are rounded to the nearest thousands. ² Value is too small to display. [#] Data collection for this item began in June 2020. Stimulus payments delivered to respondents interviewed in April and May of 2020 were not included in estimation. Source: Consumer Expenditure Surveys, U.S. Bureau of Labor Statistics, September, 2021 https://www.bls.gov/cex/tables.htm					



Average Hourly Wage and Annual Income by State (All Occupations)

State	Total Employees	Average Hourly Wage	Average Annual Wage
Alabama	1,903,210	\$ 22.52	\$ 46,840
Alaska	296,300	\$ 29.69	\$ 61,760
Arizona	2,835,110	\$ 25.67	\$ 53,400
Arkansas	1,177,860	\$ 21.53	\$ 44,780
California	16,430,660	\$ 31.61	\$ 65,740
Colorado	2,578,000	\$ 29.25	\$ 60,840
Connecticut	1,540,870	\$ 31.46	\$ 65,450
Delaware	426,380	\$ 27.26	\$ 56,700
District of Columbia	687,160	\$ 45.83	\$ 95,330
Florida	8,441,750	\$ 24.05	\$ 50,020
Georgia	4,308,600	\$ 24.97	\$ 51,940
Guam	64,820	\$ 18.01	\$ 37,470
Hawaii	574,010	\$ 27.98	\$ 58,190
Idaho	718,820	\$ 22.50	\$ 46,800
Illinois	5,627,660	\$ 27.92	\$ 58,070
Indiana	2,918,340	\$ 23.39	\$ 48,650
Iowa	1,469,920	\$ 23.69	\$ 49,280
Kansas	1,331,950	\$ 23.37	\$ 48,610
Kentucky	1,782,580	\$ 22.11	\$ 46,000
Louisiana	1,801,290	\$ 22.34	\$ 46,460
Maine	575,220	\$ 24.62	\$ 51,220
Maryland	2,523,030	\$ 30.58	\$ 63,610
Massachusetts	3,349,800	\$ 33.66	\$ 70,010
Michigan	3,924,010	\$ 25.67	\$ 53,390
Minnesota	2,708,760	\$ 28.23	\$ 58,720
Mississippi	1,076,820	\$ 20.00	\$ 41,600
Missouri	2,691,630	\$ 24.10	\$ 50,140
Montana	455,450	\$ 22.73	\$ 47,270
Nebraska	942,550	\$ 24.16	\$ 50,260
Nevada	1,250,860	\$ 24.21	\$ 50,360
New Hampshire	619,440	\$ 27.27	\$ 56,730



State	Total Employees	Average Hourly Wage	Average Annual Wage
New Jersey	3,782,730	\$ 30.62	\$ 63,690
New Mexico	785,720	\$ 23.87	\$ 49,650
New York	8,691,440	\$ 32.62	\$ 67,850
North Carolina	4,288,450	\$ 24.52	\$ 51,010
North Dakota	400,040	\$ 25.22	\$ 52,450
Ohio	5,137,540	\$ 24.77	\$ 51,510
Oklahoma	1,562,780	\$ 22.76	\$ 47,340
Oregon	1,806,950	\$ 27.34	\$ 56,880
Pennsylvania	5,512,120	\$ 25.94	\$ 53,950
Puerto Rico	819,750	\$ 14.78	\$ 30,750
Rhode Island	442,910	\$ 28.96	\$ 60,240
South Carolina	2,015,260	\$ 22.22	\$ 46,230
South Dakota	411,250	\$ 21.62	\$ 44,960
Tennessee	2,903,810	\$ 22.85	\$ 47,530
Texas	12,102,370	\$ 25.19	\$ 52,400
Utah	1,489,020	\$ 24.73	\$ 51,430
Vermont	281,080	\$ 25.68	\$ 53,420
Virgin Islands	35,650	\$ 23.06	\$ 47,960
Virginia	3,701,220	\$ 28.92	\$ 60,160
Washington	3,195,200	\$ 32.15	\$ 66,870
West Virginia	650,010	\$ 21.82	\$ 45,380
Wisconsin	2,709,940	\$ 24.64	\$ 51,250
Wyoming	261,690	\$ 24.61	\$ 51,180

May 2020 National Occupational Employment and Wage Estimates

Source: Bureau of Labor Statistics

<https://www.bls.gov/oes/tables.htm>



National Occupational Employment and Wage Estimates in the United States

Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Accountants and Auditors	1,274,620	\$39.26	\$81,660
Actors, Producers, and Directors	163,950	\$42.40	\$88,190
Actuaries	22,480	\$59.22	\$123,180
Administrative Services and Facilities Managers	307,620	\$51.98	\$108,120
Adult Basic Education, Adult Secondary Education, and English as a Second Language Instructors	42,910	\$28.75	\$59,810
Advertising and Promotions Managers	22,490	\$70.94	\$147,560
Advertising Sales Agents	110,040	\$32.71	\$68,040
Aerospace Engineers	60,630	\$58.23	\$121,110
Agents and Business Managers of Artists, Performers, and Athletes	16,240	\$47.15	\$98,070
Agricultural and Food Science Technicians	21,940	\$22.08	\$45,920
Agricultural and Food Scientists	29,710	\$36.69	\$76,320
Agricultural Engineers	1,440	\$48.86	\$101,620
Agricultural Inspectors	13,450	\$23.38	\$48,620
Air Traffic Controllers and Airfield Operations Specialists	32,780	\$50.54	\$105,120
Aircraft Mechanics and Service Technicians	128,300	\$33.19	\$69,040
Aircraft Pilots and Flight Engineers	120,670	*	\$163,480
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	38,460	\$26.69	\$55,510
Ambulance Drivers and Attendants, Except Emergency Medical Technicians	14,120	\$14.76	\$30,700
Animal Breeders	920	\$21.12	\$43,930
Animal Caretakers	193,660	\$13.65	\$28,380
Animal Control Workers	11,580	\$19.56	\$40,680
Animal Trainers	14,880	\$18.25	\$37,950
Architects, Except Naval	124,630	\$41.89	\$87,130
Architectural and Engineering Managers	195,900	\$76.01	\$158,100
Archivists, Curators, and Museum Technicians	30,230	\$27.38	\$56,960



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Artists and Related Workers	89,800	\$44.97	\$93,530
Arts, Communications, History, and Humanities Teachers, Postsecondary	250,550	*	\$83,620
Astronomers and Physicists	18,080	\$65.62	\$136,480
Athletes, Coaches, Umpires, and Related Workers	233,160	*	\$48,310
Atmospheric and Space Scientists	10,210	\$48.34	\$100,550
Audiologists	13,300	\$42.90	\$89,230
Automotive Technicians and Repairers	775,710	\$22.63	\$47,060
Baggage Porters, Bellhops, and Concierges	65,240	\$15.67	\$32,580
Bailiffs, Correctional Officers, and Jailers	423,980	\$25.15	\$52,310
Bakers	168,890	\$14.93	\$31,060
Barbers, Hairdressers, Hairstylists and Cosmetologists	317,290	\$15.86	\$32,990
Bartenders	486,720	\$13.90	\$28,910
Bill and Account Collectors	222,030	\$19.53	\$40,630
Billing and Posting Clerks	445,160	\$20.01	\$41,610
Bioengineers and Biomedical Engineers	18,660	\$47.28	\$98,340
Biological Scientists	110,600	\$44.01	\$91,550
Biological Technicians	80,640	\$23.79	\$49,490
Boilermakers	14,020	\$32.42	\$67,430
Bookkeeping, Accounting, and Auditing Clerks	1,443,940	\$21.20	\$44,100
Brickmasons, Blockmasons, and Stonemasons	71,770	\$27.29	\$56,750
Bridge and Lock Tenders	3,080	\$23.85	\$49,610
Broadcast Announcers and Radio Disc Jockeys	27,290	\$27.55	\$57,300
Brokerage Clerks	44,720	\$28.11	\$58,460
Budget Analysts	49,260	\$39.75	\$82,690
Building Cleaning Workers	2,803,150	\$14.66	\$30,490
Bus and Truck Mechanics and Diesel Engine Specialists	253,010	\$25.04	\$52,090
Business Teachers, Postsecondary	79,810	*	\$107,270
Butchers and Other Meat, Poultry, and Fish Processing Workers	367,970	\$15.56	\$32,370



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Buyers and Purchasing Agents	419,920	\$34.80	\$72,370
Cabinetmakers and Bench Carpenters	93,300	\$18.70	\$38,900
Cargo and Freight Agents	96,510	\$22.68	\$47,170
Carpenters	699,300	\$26.06	\$54,200
Carpet, Floor, and Tile Installers and Finishers	82,980	\$22.91	\$47,650
Cashiers	3,347,090	\$12.37	\$25,730
Cement Masons, Concrete Finishers, and Terrazzo Workers	198,550	\$23.80	\$49,490
Chemical Engineers	25,770	\$55.20	\$114,820
Chemical Processing Machine Setters, Operators, and Tenders	141,000	\$24.58	\$51,120
Chemical Technicians	63,490	\$25.82	\$53,700
Chemists and Materials Scientists	89,860	\$42.21	\$87,800
Chief Executives	202,360	\$95.12	\$197,840
Childcare Workers	494,360	\$12.88	\$26,790
Chiropractors	34,760	\$40.30	\$83,830
Civil Engineers	300,850	\$45.88	\$95,440
Claims Adjusters, Appraisers, Examiners, and Investigators	300,380	\$33.92	\$70,560
Clergy	52,260	\$27.19	\$56,560
Clinical Laboratory Technologists and Technicians	326,220	\$26.92	\$55,990
Compensation and Benefits Managers	16,340	\$65.94	\$137,160
Compensation, Benefits, and Job Analysis Specialists	87,870	\$34.91	\$72,610
Compliance Officers	327,360	\$36.35	\$75,620
Computer and Information Analysts	712,460	\$48.40	\$100,680
Computer and Information Research Scientists	30,220	\$62.93	\$130,890
Computer and Information Systems Managers	457,290	\$77.76	\$161,730
Computer Hardware Engineers	64,710	\$60.65	\$126,140
Computer Numerically Controlled Tool Operators and Programmers	174,650	\$22.47	\$46,740
Computer Support Specialists	819,040	\$28.92	\$60,160
Computer, Automated Teller, and Office Machine Repairers	91,930	\$21.05	\$43,790



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Conservation Scientists and Foresters	31,380	\$32.75	\$68,120
Construction and Building Inspectors	113,770	\$31.96	\$66,470
Construction Equipment Operators	451,250	\$26.22	\$54,540
Construction Laborers	971,330	\$20.67	\$43,000
Construction Managers	285,640	\$51.57	\$107,260
Control and Valve Installers and Repairers	73,340	\$27.46	\$57,120
Conveyor Operators and Tenders	23,160	\$18.05	\$37,540
Cooks	2,184,130	\$13.55	\$28,180
Correspondence Clerks	6,150	\$19.26	\$40,070
Cost Estimators	199,360	\$35.08	\$72,960
Counselors	774,270	\$26.34	\$54,780
Counter and Rental Clerks and Parts Salespersons	622,160	\$17.01	\$35,380
Couriers and Messengers	70,700	\$15.87	\$33,010
Court, Municipal, and License Clerks	156,100	\$20.91	\$43,490
Crane and Tower Operators	44,060	\$30.77	\$64,010
Credit Analysts	72,090	\$41.43	\$86,170
Credit Authorizers, Checkers, and Clerks	24,600	\$20.95	\$43,580
Credit Counselors and Loan Officers	339,470	\$35.81	\$74,490
Crushing, Grinding, Polishing, Mixing, and Blending Workers	172,710	\$19.28	\$40,110
Customer Service Representatives	2,833,250	\$18.51	\$38,510
Cutting Workers	60,740	\$18.12	\$37,690
Dancers and Choreographers	10,950	\$25.05	\$52,110
Data Entry and Information Processing Workers	194,440	\$17.96	\$37,350
Database and Network Administrators and Architects	632,540	\$47.80	\$99,420
Dental and Ophthalmic Laboratory Technicians and Medical Appliance Technicians	70,650	\$20.25	\$42,130
Dentists	111,210	\$89.57	\$186,300
Derrick, Rotary Drill, and Service Unit Operators, Oil and Gas	68,840	\$25.80	\$53,670
Designers	504,880	\$25.50	\$53,030



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Desktop Publishers	7,090	\$24.33	\$50,600
Detectives and Criminal Investigators	105,980	\$42.93	\$89,300
Dietitians and Nutritionists	66,330	\$30.84	\$64,150
Dining Room and Cafeteria Attendants and Bartender Helpers	374,940	\$12.64	\$26,300
Directors, Religious Activities and Education	19,860	\$25.32	\$52,660
Dishwashers	395,660	\$12.31	\$25,600
Dispatchers	281,740	\$21.72	\$45,170
Drafters	187,670	\$29.03	\$60,390
Dredge Operators	1,750	\$25.86	\$53,790
Driver/Sales Workers and Truck Drivers	3,148,070	\$21.25	\$44,200
Drywall Installers, Ceiling Tile Installers, and Tapers	116,010	\$25.66	\$53,360
Economists	17,520	\$58.11	\$120,880
Education and Childcare Administrators	493,350	\$48.64	\$101,160
Education and Library Science Teachers, Postsecondary	61,790	*	\$75,180
Electrical and Electronics Engineers	307,540	\$52.17	\$108,510
Electrical, Electronics, and Electromechanical Assemblers	296,380	\$18.66	\$38,810
Electricians	656,510	\$29.59	\$61,550
Elementary and Middle School Teachers	1,976,050	*	\$65,300
Elevator and Escalator Installers and Repairers	24,730	\$41.44	\$86,200
Eligibility Interviewers, Government Programs	138,820	\$23.07	\$47,990
Emergency Management Directors	10,210	\$40.53	\$84,310
Emergency Medical Technicians and Paramedics	257,700	\$19.41	\$40,370
Engine and Other Machine Assemblers	41,510	\$22.69	\$47,190
Engineering and Architecture Teachers, Postsecondary	45,430	*	\$112,110
Engineering Technologists and Technicians, Except Drafters	419,620	\$30.64	\$63,740
Environmental Engineers	50,260	\$46.58	\$96,890
Environmental Science and Geoscience Technicians	47,440	\$26.11	\$54,300
Environmental Scientists and Geoscientists	118,660	\$42.37	\$88,140



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Extruding, Forming, Pressing, and Compacting Machine Setters, Operators, and Tenders	63,730	\$18.48	\$38,440
Farm and Home Management Educators	8,090	\$26.38	\$54,870
Farmers, Ranchers, and Other Agricultural Managers	5,670	\$36.93	\$76,810
Fast Food and Counter Workers	3,450,120	\$11.80	\$24,540
Fence Erectors	27,010	\$19.29	\$40,120
Fiberglass Laminators and Fabricators	18,800	\$18.41	\$38,280
File Clerks	91,560	\$17.38	\$36,140
Financial Examiners	68,210	\$44.58	\$92,730
Financial Managers	653,080	\$72.84	\$151,510
Fire Inspectors	16,920	\$31.26	\$65,010
Firefighters	311,350	\$27.09	\$56,360
First-Line Supervisors of Building and Grounds Cleaning and Maintenance Workers	244,990	\$23.61	\$49,110
First-Line Supervisors of Construction Trades and Extraction Workers	614,080	\$35.09	\$72,990
First-Line Supervisors of Farming, Fishing, and Forestry Workers	22,640	\$26.16	\$54,420
First-Line Supervisors of Firefighting and Prevention Workers	69,000	\$39.99	\$83,170
First-Line Supervisors of Law Enforcement Workers	175,730	\$42.40	\$88,190
First-Line Supervisors of Mechanics, Installers, and Repairers	475,000	\$35.14	\$73,100
First-Line Supervisors of Office and Administrative Support Workers	1,427,260	\$29.81	\$62,010
First-Line Supervisors of Production and Operating Workers	599,900	\$32.12	\$66,800
First-Line Supervisors of Sales Workers	1,303,400	\$26.54	\$55,200
First-Line Supervisors of Transportation and Material Moving Workers	487,450	\$28.04	\$58,330
Fish and Game Wardens	7,230	\$27.79	\$57,810
Flight Attendants	116,260	*	\$59,150
Food Preparation Workers	793,590	\$12.90	\$26,820
Food Servers, Nonrestaurant	254,650	\$13.20	\$27,460
Food Service Managers	197,010	\$29.33	\$61,000
Forest and Conservation Technicians	30,150	\$20.57	\$42,780



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Forest and Conservation Workers	6,490	\$16.11	\$33,520
Forming Machine Setters, Operators, and Tenders, Metal and Plastic	117,530	\$19.86	\$41,310
Fundraisers	82,140	\$31.03	\$64,550
Funeral Attendants	32,300	\$14.97	\$31,130
Furnace, Kiln, Oven, Drier, and Kettle Operators and Tenders	16,880	\$20.15	\$41,910
Furniture Finishers	15,590	\$16.84	\$35,040
Gambling Cage Workers	10,560	\$14.28	\$29,700
Gambling Services Workers	83,400	\$12.95	\$26,940
General and Operations Managers	2,347,420	\$60.45	\$125,740
Glaziers	52,190	\$24.50	\$50,970
Graders and Sorters, Agricultural Products	28,640	\$14.24	\$29,620
Grounds Maintenance Workers	962,670	\$16.63	\$34,590
Hazardous Materials Removal Workers	44,010	\$23.64	\$49,170
Health Practitioner Support Technologists and Technicians	803,920	\$18.74	\$38,970
Health Teachers, Postsecondary	261,130	*	\$115,330
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	344,020	\$25.68	\$53,410
Heavy Vehicle and Mobile Equipment Service Technicians and Mechanics	205,720	\$26.50	\$55,110
Helpers, Construction Trades	227,710	\$17.13	\$35,640
Helpers--Extraction Workers	12,740	\$18.82	\$39,150
Highway Maintenance Workers	149,890	\$20.77	\$43,200
Hoist and Winch Operators	4,460	\$30.16	\$62,730
Home Appliance Repairers	27,640	\$21.06	\$43,810
Home Health and Personal Care Aides	3,211,590	\$13.49	\$28,060
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	316,700	\$11.92	\$24,800
Hotel, Motel, and Resort Desk Clerks	222,550	\$12.93	\$26,900
Human Resources Assistants, Except Payroll and Timekeeping	108,470	\$21.24	\$44,170
Human Resources Managers	156,600	\$64.70	\$134,580
Human Resources Workers	718,120	\$33.63	\$69,950



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Industrial Engineers, Including Health and Safety	313,980	\$45.14	\$93,890
Industrial Machinery Installation, Repair, and Maintenance Workers	496,380	\$27.30	\$56,790
Industrial Production Managers	179,570	\$56.82	\$118,190
Industrial Truck and Tractor Operators	640,950	\$18.85	\$39,210
Inspectors, Testers, Sorters, Samplers, and Weighers	549,200	\$21.43	\$44,580
Instructional Coordinators	174,900	\$33.73	\$70,160
Insulation Workers	60,480	\$24.42	\$50,800
Insurance Claims and Policy Processing Clerks	240,740	\$21.67	\$45,070
Insurance Sales Agents	409,950	\$33.22	\$69,100
Interviewers, Except Eligibility and Loan	173,800	\$18.10	\$37,640
Jewelers and Precious Stone and Metal Workers	18,650	\$23.10	\$48,050
Judges, Magistrates, and Other Judicial Workers	48,930	\$55.96	\$116,390
Laborers and Material Movers	6,021,330	\$15.40	\$32,040
Laundry and Dry-Cleaning Workers	179,890	\$12.79	\$26,600
Law, Criminal Justice, and Social Work Teachers, Postsecondary	42,540	*	\$96,870
Lawyers and Judicial Law Clerks	672,820	\$70.70	\$147,050
Legislators	51,290	*	\$53,560
Librarians and Media Collections Specialists	135,070	\$30.56	\$63,560
Library Assistants, Clerical	84,560	\$14.78	\$30,740
Library Technicians	89,070	\$19.05	\$39,630
Licensed Practical and Licensed Vocational Nurses	676,440	\$24.08	\$50,090
Life Sciences Teachers, Postsecondary	61,480	*	\$100,400
Line Installers and Repairers	237,420	\$32.66	\$67,940
Loan Interviewers and Clerks	204,100	\$20.57	\$42,780
Locomotive Engineers and Operators	41,690	\$33.15	\$68,960
Lodging Managers	31,790	\$31.38	\$65,270
Logging Workers	37,630	\$21.03	\$43,740
Machine Tool Cutting Setters, Operators, and Tenders, Metal and Plastic	297,430	\$18.99	\$39,500



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Machinists	360,340	\$22.98	\$47,800
Mail Clerks and Mail Machine Operators, Except Postal Service	79,310	\$16.20	\$33,700
Maintenance and Repair Workers, General	1,357,630	\$21.05	\$43,790
Management Analysts	734,000	\$46.91	\$97,580
Marine Engineers and Naval Architects	8,700	\$47.88	\$99,590
Market Research Analysts and Marketing Specialists	690,160	\$35.56	\$73,970
Marketing and Sales Managers	660,380	\$72.31	\$150,400
Massage Therapists	85,040	\$22.77	\$47,350
Materials Engineers	24,740	\$48.34	\$100,550
Math and Computer Science Teachers, Postsecondary	81,780	*	\$91,450
Mathematicians	2,460	\$54.10	\$112,530
Mechanical Engineers	293,960	\$45.94	\$95,560
Medical and Health Services Managers	402,540	\$57.12	\$118,800
Medical Scientists	133,620	\$48.45	\$100,780
Meeting, Convention, and Event Planners	109,800	\$26.87	\$55,890
Metal Furnace Operators, Tenders, Pourers, and Casters	22,490	\$21.57	\$44,860
Meter Readers, Utilities	26,490	\$22.19	\$46,160
Mining and Geological Engineers, Including Mining Safety Engineers	6,270	\$48.15	\$100,140
Miscellaneous Agricultural Workers	366,410	\$14.72	\$30,620
Miscellaneous Assemblers and Fabricators	1,258,780	\$17.30	\$35,980
Miscellaneous Communications Equipment Operators	3,070	\$23.68	\$49,260
Miscellaneous Community and Social Service Specialists	694,380	\$21.82	\$45,390
Miscellaneous Computer Occupations	362,580	\$46.51	\$96,740
Miscellaneous Construction and Related Workers	32,050	\$21.24	\$44,180
Miscellaneous Educational Instruction and Library Workers	142,550	\$22.70	\$47,210
Miscellaneous Electrical and Electronic Equipment Mechanics, Installers, and Repairers	230,350	\$28.29	\$58,850
Miscellaneous Engineers	152,380	\$51.47	\$107,060
Miscellaneous Entertainers and Performers, Sports and Related Workers	13,760	\$23.99	*



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Miscellaneous Entertainment Attendants and Related Workers	269,370	\$12.71	\$26,430
Miscellaneous Financial Clerks	30,470	\$22.27	\$46,310
Miscellaneous First-Line Supervisors, Protective Service Workers	78,860	\$26.54	\$55,210
Miscellaneous Food Preparation and Serving Related Workers	69,070	\$13.41	\$27,880
Miscellaneous Food Processing Workers	240,640	\$16.43	\$34,170
Miscellaneous Healthcare Diagnosing or Treating Practitioners	230,900	\$38.97	\$81,060
Miscellaneous Healthcare Support Occupations	1,491,180	\$18.29	\$38,030
Miscellaneous Information and Record Clerks	148,870	\$21.10	\$43,880
Miscellaneous Installation, Maintenance, and Repair Workers	319,050	\$20.91	\$43,490
Miscellaneous Legal Support Workers	100,270	\$29.88	\$62,150
Miscellaneous Life Scientists	6,540	\$44.31	\$92,170
Miscellaneous Life, Physical, and Social Science Technicians	78,720	\$28.14	\$58,530
Miscellaneous Material Moving Workers	26,300	\$18.16	\$37,770
Miscellaneous Media and Communication Workers	91,740	\$28.29	\$58,840
Miscellaneous Metal Workers and Plastic Workers	89,810	\$19.26	\$40,060
Miscellaneous Motor Vehicle Operators	51,390	\$19.33	\$40,200
Miscellaneous Office and Administrative Support Workers	175,600	\$18.91	\$39,340
Miscellaneous Personal Appearance Workers	130,730	\$16.63	\$34,580
Miscellaneous Physical Scientists	19,050	\$52.93	\$110,100
Miscellaneous Plant and System Operators	99,870	\$33.99	\$70,700
Miscellaneous Postsecondary Teachers	317,580	*	\$77,650
Miscellaneous Production Workers	638,030	\$17.15	\$35,660
Miscellaneous Protective Service Workers	389,350	\$16.41	\$34,140
Miscellaneous Rail Transportation Workers	1,540	\$26.28	\$54,670
Miscellaneous Religious Workers	8,900	\$19.26	\$40,070
Miscellaneous Sales and Related Workers	161,550	\$19.04	\$39,590
Miscellaneous Sales Representatives, Services	977,070	\$33.89	\$70,490
Miscellaneous Social Scientists and Related Workers	51,980	\$43.63	\$90,750



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Miscellaneous Textile, Apparel, and Furnishings Workers	63,200	\$18.22	\$37,890
Miscellaneous Vehicle and Mobile Equipment Mechanics, Installers, and Repairers	124,990	\$16.06	\$33,400
Miscellaneous Woodworkers	7,300	\$17.17	\$35,710
Model Makers and Patternmakers, Metal and Plastic	5,800	\$26.26	\$54,630
Model Makers and Patternmakers, Wood	990	\$29.93	\$62,250
Models, Demonstrators, and Product Promoters	72,340	\$18.09	\$37,630
Molders and Molding Machine Setters, Operators, and Tenders, Metal and Plastic	171,110	\$17.40	\$36,190
Morticians, Undertakers, and Funeral Arrangers	24,560	\$28.36	\$59,000
Motion Picture Projectionists	2,270	\$16.53	\$34,380
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	134,660	\$19.13	\$39,800
Musicians, Singers, and Related Workers	43,970	\$39.61	*
Natural Sciences Managers	75,870	\$74.49	\$154,930
New Accounts Clerks	45,250	\$19.17	\$39,870
News Analysts, Reporters and Journalists	41,580	\$31.73	\$66,000
Nuclear Engineers	15,700	\$60.16	\$125,130
Nuclear Technicians	6,160	\$40.29	\$83,810
Nurse Anesthetists	41,960	\$90.96	\$189,190
Nurse Midwives	7,120	\$55.55	\$115,540
Nurse Practitioners	211,280	\$55.05	\$114,510
Nursing Assistants, Orderlies, and Psychiatric Aides	1,466,170	\$15.43	\$32,090
Occupational Health and Safety Specialists and Technicians	116,910	\$35.81	\$74,480
Occupational Therapy Assistants and Aides	48,380	\$28.85	\$60,010
Office Clerks, General	2,788,090	\$18.16	\$37,770
Office Machine Operators, Except Computer	40,640	\$17.59	\$36,580
Operations Research Analysts	96,220	\$44.37	\$92,280
Opticians, Dispensing	68,180	\$19.89	\$41,380
Optometrists	36,690	\$60.31	\$125,440



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Order Clerks	119,640	\$18.10	\$37,660
Packaging and Filling Machine Operators and Tenders	370,910	\$16.94	\$35,220
Painters and Paperhangers	220,700	\$22.36	\$46,500
Painting Workers	149,370	\$20.08	\$41,770
Paralegals and Legal Assistants	332,720	\$27.22	\$56,610
Parking Attendants	123,790	\$13.42	\$27,910
Parking Enforcement Workers	7,560	\$21.57	\$44,870
Passenger Attendants	22,990	\$14.62	\$30,410
Passenger Vehicle Drivers	762,820	\$17.93	\$37,300
Payroll and Timekeeping Clerks	133,870	\$23.21	\$48,290
Pest Control Workers	79,560	\$19.40	\$40,350
Petroleum Engineers	27,850	\$74.20	\$154,330
Pharmacists	315,470	\$60.32	\$125,460
Photographers	41,600	\$24.18	\$50,290
Photographic Process Workers and Processing Machine Operators	8,880	\$18.94	\$39,390
Physical Sciences Teachers, Postsecondary	52,810	*	\$98,580
Physical Therapist Assistants and Aides	138,520	\$23.92	\$49,750
Physician Assistants	125,280	\$55.81	\$116,080
Pipelayers, Plumbers, Pipefitters, and Steamfitters	451,390	\$28.79	\$59,890
Plasterers and Stucco Masons	25,210	\$25.05	\$52,100
Podiatrists	9,710	\$72.65	\$151,110
Police Officers	658,700	\$33.66	\$70,010
Postal Service Workers	525,920	\$25.24	\$52,500
Postmasters and Mail Superintendents	13,880	\$38.30	\$79,660
Power Plant Operators, Distributors, and Dispatchers	48,210	\$41.69	\$86,720
Precision Instrument and Equipment Repairers	71,430	\$25.88	\$53,830
Preschool and Kindergarten Teachers	491,020	\$20.47	\$42,570
Pressers, Textile, Garment, and Related Materials	31,980	\$12.53	\$26,050



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Printing Workers	230,720	\$19.18	\$39,890
Private Detectives and Investigators	32,200	\$28.89	\$60,100
Procurement Clerks	61,000	\$21.83	\$45,400
Production, Planning, and Expediting Clerks	362,090	\$25.00	\$52,000
Proofreaders and Copy Markers	6,610	\$21.48	\$44,670
Property Appraisers and Assessors	55,990	\$31.55	\$65,630
Property, Real Estate, and Community Association Managers	219,800	\$35.20	\$73,210
Psychologists	127,070	\$43.61	\$90,710
Public Relations and Fundraising Managers	81,110	\$65.18	\$135,580
Public Relations Specialists	244,550	\$34.58	\$71,940
Pumping Station Operators	26,430	\$27.65	\$57,500
Purchasing Managers	70,960	\$63.78	\$132,660
Radio and Telecommunications Equipment Installers and Repairers	203,730	\$29.76	\$61,900
Railroad Brake, Signal, and Switch Operators and Locomotive Firers	14,630	\$26.87	\$55,890
Railroad Conductors and Yardmasters	44,920	\$31.46	\$65,440
Rail-Track Laying and Maintenance Equipment Operators	17,590	\$27.61	\$57,430
Real Estate Brokers and Sales Agents	213,350	\$32.16	\$66,890
Receptionists and Information Clerks	968,420	\$15.58	\$32,410
Recreation and Fitness Workers	573,720	\$17.94	\$37,310
Refuse and Recyclable Material Collectors	120,850	\$20.49	\$42,620
Registered Nurses	2,986,500	\$38.47	\$80,010
Reinforcing Iron and Rebar Workers	18,680	\$26.30	\$54,700
Reservation and Transportation Ticket Agents and Travel Clerks	110,020	\$21.98	\$45,710
Residential Advisors	102,450	\$16.07	\$33,430
Retail Salespersons	3,659,670	\$14.87	\$30,940
Rock Splitters, Quarry	4,640	\$18.48	\$38,430
Roofers	128,680	\$22.60	\$47,010
Roustabouts, Oil and Gas	44,710	\$20.27	\$42,160



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Sailors and Marine Oilers	25,570	\$26.77	\$55,680
Sales Engineers	63,780	\$56.38	\$117,270
Sales Representatives, Wholesale and Manufacturing	1,566,820	\$37.65	\$78,310
Secondary School Teachers	1,064,540	*	\$67,240
Secretaries and Administrative Assistants	3,111,790	\$21.54	\$44,800
Securities, Commodities, and Financial Services Sales Agents	440,300	\$46.41	\$96,540
Security Guards and Gambling Surveillance Officers	1,062,740	\$16.54	\$34,410
Self-Enrichment Teachers	222,700	\$23.05	\$47,930
Semiconductor Processing Technicians	31,080	\$21.74	\$45,210
Septic Tank Servicers and Sewer Pipe Cleaners	29,880	\$21.12	\$43,930
Sewing Machine Operators	116,520	\$14.14	\$29,420
Sheet Metal Workers	128,220	\$26.60	\$55,320
Ship and Boat Captains and Operators	29,980	\$41.76	\$86,860
Ship Engineers	7,480	\$38.99	\$81,110
Shipping, Receiving, and Inventory Clerks	727,640	\$17.89	\$37,210
Shoe and Leather Workers	11,450	\$15.12	\$31,460
Small Engine Mechanics	65,430	\$19.88	\$41,360
Social and Community Service Managers	155,800	\$36.13	\$75,140
Social Science Research Assistants	35,330	\$25.75	\$53,560
Social Sciences Teachers, Postsecondary	115,040	*	\$94,270
Social Workers	681,400	\$26.90	\$55,950
Sociologists	2,470	\$44.91	\$93,420
Software and Web Developers, Programmers, and Testers	1,811,160	\$52.86	\$109,950
Solar Photovoltaic Installers	11,490	\$23.08	\$48,020
Special Education Teachers	467,020	*	\$65,920
Stationary Engineers and Boiler Operators	29,550	\$32.77	\$68,170
Statistical Assistants	9,320	\$25.06	\$52,120
Statisticians	38,860	\$46.72	\$97,170



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Structural Iron and Steel Workers	71,490	\$28.20	\$58,650
Structural Metal Fabricators and Fitters	69,550	\$21.51	\$44,750
Substitute Teachers, Short-Term	512,030	\$17.35	\$36,090
Subway and Streetcar Operators	11,250	\$31.48	\$65,480
Supervisors of Food Preparation and Serving Workers	993,030	\$19.24	\$40,010
Survey Researchers	10,350	\$32.19	\$66,960
Surveying and Mapping Technicians	53,370	\$23.93	\$49,770
Surveyors, Cartographers, and Photogrammetrists	56,310	\$34.01	\$70,740
Switchboard Operators, Including Answering Service	59,270	\$16.34	\$33,980
Tailors, Dressmakers, and Sewers	24,260	\$16.97	\$35,300
Tank Car, Truck, and Ship Loaders	12,610	\$24.36	\$50,670
Tax Examiners, Collectors and Preparers, and Revenue Agents	115,750	\$27.40	\$57,000
Teaching Assistants	1,411,590	*	\$31,500
Telemarketers	117,610	\$14.87	\$30,930
Telephone Operators	4,630	\$18.91	\$39,340
Television, Video, and Film Camera Operators and Editors	42,750	\$36.60	\$76,130
Tellers	423,570	\$15.85	\$32,960
Textile Machine Setters, Operators, and Tenders	64,220	\$15.33	\$31,900
Therapists	684,330	\$39.44	\$82,030
Timing Device Assemblers and Adjusters	1,000	\$18.96	\$39,430
Tool and Die Makers	61,190	\$26.69	\$55,520
Tour and Travel Guides	38,030	\$15.48	\$32,200
Traffic Technicians	7,430	\$25.55	\$53,140
Training and Development Managers	38,710	\$60.54	\$125,920
Training and Development Specialists	318,040	\$32.43	\$67,440
Transportation Inspectors	27,360	\$39.10	\$81,320
Transportation, Storage, and Distribution Managers	132,210	\$50.53	\$105,100
Travel Agents	55,180	\$22.43	\$46,650



Occupation	Total Employees	Average Hourly Wage (\$)	Average Annual Wage (\$)
Urban and Regional Planners	38,190	\$38.18	\$79,410
Ushers, Lobby Attendants, and Ticket Takers	95,600	\$12.69	\$26,390
Veterinarians	73,710	\$52.09	\$108,350
Waiters and Waitresses	1,944,240	\$13.20	\$27,470
Water and Wastewater Treatment Plant and System Operators	119,380	\$24.95	\$51,890
Weighers, Measurers, Checkers, and Samplers, Recordkeeping	57,960	\$18.31	\$38,080
Welding, Soldering, and Brazing Workers	430,700	\$22.25	\$46,280
Wind Turbine Service Technicians	5,860	\$28.53	\$59,340
Woodworking Machine Setters, Operators, and Tenders	123,560	\$16.08	\$33,440
Writers and Editors	186,490	\$36.67	\$76,270

* Wages for some occupations that do not generally work year-round, full time, are reported either as hourly wages or annual salaries depending on how they are typically paid.

May 2020 National Occupational Employment and Wage Estimates

Source: Bureau of Labor Statistics

<https://www.bls.gov/oes/tables.htm>



The 50/30/20 Rule

According to this rule, you should budget your after-tax earnings (net income) in this way:

- **Needs** should be 50 percent of your net income
- **Wants** should be 30 percent of your net income
- **Financial goals** (savings and debt reduction) should be 20 percent of your net income

Monthly Income	50% Needs	30% Wants	20% Financial Goals
\$500	\$250	\$150	\$100
\$750	\$375	\$225	\$150
\$1,000	\$500	\$300	\$200
\$1,250	\$625	\$375	\$250
\$1,500	\$750	\$450	\$300
\$1,750	\$875	\$525	\$350
\$2,000	\$1,000	\$600	\$400
\$2,250	\$1,125	\$675	\$450
\$2,500	\$1,250	\$750	\$500
\$2,750	\$1,375	\$825	\$550
\$3,000	\$1,500	\$900	\$600
\$3,250	\$1,625	\$975	\$650
\$3,500	\$1,750	\$1,050	\$700
\$3,750	\$1,875	\$1,125	\$750
\$4,000	\$2,000	\$1,200	\$800
\$4,250	\$2,125	\$1,275	\$850
\$4,500	\$2,250	\$1,350	\$900
\$4,750	\$2,375	\$1,425	\$950
\$5,000	\$2,500	\$1,500	\$1,000
\$5,250	\$2,625	\$1,575	\$1,050
\$5,500	\$2,750	\$1,650	\$1,100
\$5,750	\$2,875	\$1,725	\$1,150
\$6,000	\$3,000	\$1,800	\$1,200
\$6,250	\$3,125	\$1,875	\$1,250
\$6,500	\$3,250	\$1,950	\$1,300
\$6,750	\$3,375	\$2,025	\$1,350
\$7,000	\$3,500	\$2,100	\$1,400
\$7,250	\$3,625	\$2,175	\$1,450
\$7,500	\$3,750	\$2,250	\$1,500



Budgeting Software

Budgeting software offers many features including bill payment reminders and actual bill payment. Features change, and new software is constantly being developed, so do your research to find something that works for you. Many, but not all, are free. Here are some to consider:

Mint.com: This app from Intuit offers a range of services. You can set up your budget and view charts showing how much goes to various categories, such as fuel and groceries. The app allows you to set up alerts to make sure you pay bills on time, and you can pay bills online using it, too. You can also link to Intuit tax preparation software (TurboTax) and easily transfer information.

GnuCash.org: Freely licensed personal and small-business accounting software. Use it to track your income and expenses and the money in bank accounts and stocks, bonds, and mutual fund accounts. The app can generate graphs and reports to help you see where your money is and where it goes.

PocketGuard.com: This app creates a simple budget and links all of your financial accounts. The app will flag your spending if you're going over budget, and reminds you of bills that need to be paid. It can compare your spending this month to last month, and even help you find savings.

YouNeedaBudget.com: This budget app allows you to link your accounts and track your spending. You can set up custom categories or stick with the suggested budget areas. You can include future expenses, such as a holiday, and the app will set up monthly payments for your savings to keep you on track.

GoodBudget.com: This software uses the envelope budgeting method in a virtual form. You allocate funds to various envelopes and pay expenses from them. If you are budgeting with someone else, such as a spouse, you can sync the app across your devices to make sure everyone knows what's been paid, how much is left in various envelopes, and how close you are to financial goals.

Mvelopes.com: Another virtual envelope budgeting app, this one also provides information about the merchants you use and which envelopes your money spent there comes from.



HomeBudget: This app offers a range of budgeting features, such as bill reminders and expense analysis. It also allows you to sync across multiple devices, for example, with a spouse or several family members.

Wally.me: This is marketed as a lifestyle app. It offers a variety of budgeting features, including bill reminders and savings goals. It will store images of your receipts. It also provides insight into your spending—showing who you were with and where you were when you spent money, for example.

LevelMoney.com: This app tracks your income and expenses. It calls the funds you have left after paying the bills “Spendable.” Trackers help you keep an eye on what you do with that money.

Spendee.com: This app can integrate with your online banking and bill paying. You can create a variety of budgets (wallets) and view spending habits, including location of the transaction. You can also share select wallets with others.

BUDGT.ch: This app offers features for people who have small monthly incomes, including students. It creates a new budget daily based on how much you’ve already spent during the month. This lets you easily see if you are on track or need to cut back to avoid running out of money. It can also put a surplus into savings.

Unsplurge: This app focuses on saving for a coveted expense. It helps you to budget, with a goal in mind.

Digit.co: This app looks at your finances every day. It then makes available the amount you can afford by moving it from your checking account to your Digit account. Digit also has a no-overdraft guarantee.



Glossary

This glossary contains the most important terms used in this publication.

Budget	A plan showing income and expenses.
Fixed Needs	Necessary expenses that usually don't change from month to month, such as rent.
Variable Needs	Necessary expenses that are not usually the same, such as gas and groceries.
Wants	Unnecessary expenses, such as clothing and entertainment costs.
Student Loans	Private, state, or federal loans used to pay for education, such as college.
Consolidation	Combining several debts, such as credit cards, to get one interest rate and simplify payment by reducing the number of bills.
Garnishment	When the government has your employer withhold a portion of your earnings to repay a debt, such as a student loan.
Net Income	After-tax earnings, also called take-home pay—the amount you receive as a direct deposit or when you cash your paycheck.
Unit Price	The price of an item broken down by unit, such as one ounce. The unit price allows shoppers to easily see which size is the most inexpensive—for example, when comparing large and small packages of pasta or cereal.
Principal	The amount you have borrowed, such as a loan amount or credit card charge.
Interest	The percentage of the amount you owe that you pay to the lender for use of the funds.



Compound Interest

Interest calculated on both the principal and the interest owed.



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