

# How much should I save every month?

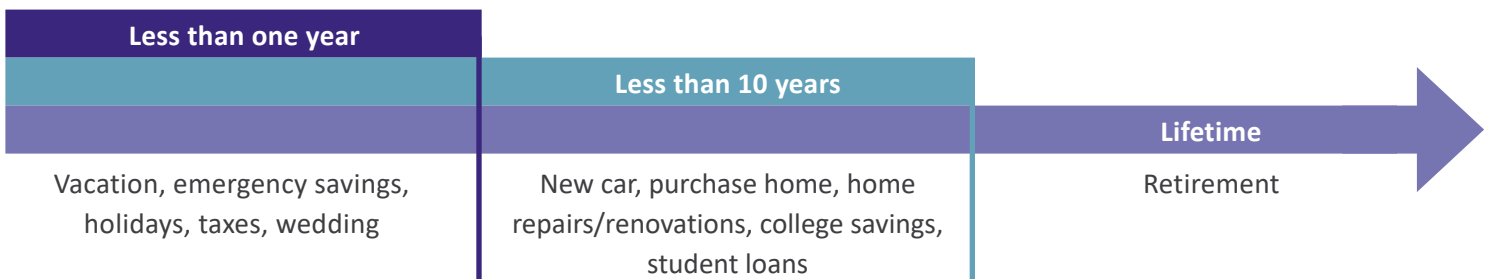
A simple question, right?  
Well, there are a lot of factors at play . . .



**What is your goal?**

- Establish an EMERGENCY FUND
- Pay down STUDENT LOAN DEBT
- Save for BIG PURCHASE: house, car, wedding
- Save for COLLEGE
- Pay down CREDIT CARD DEBT
- Save for RETIREMENT

## Prioritize goals with a timeline:



## Control spending:

### *How much should I be spending?*

According to many financial experts, following the guidelines below can help ensure that you are not over-extending your debt each month. Spending 36% or less of your monthly income on your mortgage and revolving debt should leave you with enough money to enjoy life while also savings for a comfortable retirement.



**Mortgage < 29%**



**Car payment, credit cards and other recurring monthly debt < 15%**

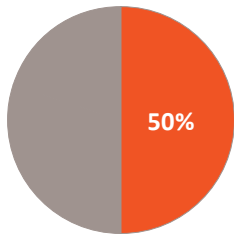


**Total debt < 36%**

## Begin saving:

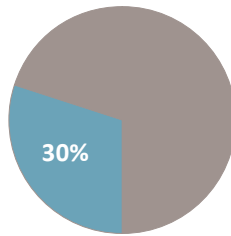
### *How much should I be saving?*

20% of take home pay. Seem daunting? Try 50/20/30



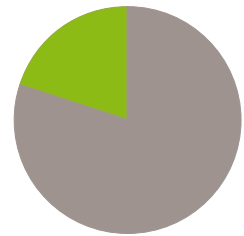
#### 50% Essentials

Housing, food, utilities, transportation, child care, insurance, minimum debt payments



#### 20% Savings

Retirement savings, savings plans, additional debt payments, emergency savings



#### 30% Flexible spending

Entertainment, gym membership, trips, etc.

## 3 Bucket principle for savings



#### Unexpected bucket

3-6 months of living expenses



#### Flex bucket

Vacation, new car, additional savings in bucket #1 or #3



#### Retirement bucket

15% of income for retirement

Be sure to save the appropriate amount in buckets one and three each month. Saving each month will not only help you be prepared for retirement, it can help ensure that you have the funds you need to support your monthly living expenses should you incur an unexpected situation such as job loss. Any leftover money is considered “flexible” and can be used for fun, to save for a major expense, or to ramp up savings in the other two buckets.

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