The 50/30/20 Budget

Money

One frame for splitting take-home pay, and what counts in each bucket.

A starting frame, not a rule. Percentages are of income after tax.

1. **50% — Needs**
   Rent or mortgage, utilities, groceries, transport to work, minimum debt payments, insurance.

2. **30% — Wants**
   Eating out, subscriptions, holidays, hobbies. Anything you would keep paying but could stop.

3. **20% — Future**
   Savings, investments, and debt repayment above the minimum.

4. **Check it monthly**
   Categorise one month of real spending before changing anything.

ON £2,400 A MONTH AFTER TAX

Needs – £1,200
Wants – £720
Future – £480

If needs exceed 50%, the frame is not broken — it is telling you housing or transport is the thing to look at.