

Name _____

Budgeting Magic: The 50/30/20 Rule Unveiled

Short Answer Key

1. Answers may vary but could include rent or mortgage payments.
2. Dining out, entertainment, hobbies, gadgets, or non-essential purchases.
3. The 20% allocation in the 50/30/20 rule helps secure your financial future by allowing you to save for emergencies, retirement, and future goals while also addressing debt.
4. Personal experiences will vary.
5. If your "needs" exceed 50% of your income, you may need to reevaluate your budget and consider reducing spending in other categories or finding ways to increase your income.

