

Household Budgeting for Seniors

by the Consumer Law Project for Elders

To design a budget that allows you to live within your means, financial experts suggest that you spend no more than the following percentages of monthly income on each item below. A budget worksheet is attached.

Housing	rent, mortgage payments, condo fees, lot rent, insurance, taxes, utilities, maintenance, and repairs	35%
Transportation	car payments, gas, insurance, maintenance and repairs, taxi/bus fare	15%
Food	groceries	15%
Medical	supplemental insurance premiums, medication, deductibles, and copays	20%
Miscellaneous	clothing, toiletries, other necessary items	5%
Debt	credit card payments, personal loan payments	10%

Costs will vary from household to household and from budget category to budget category. Senior households usually spend very little on child care, educational expenses, and saving for the future. Medical expenses are generally a significant part of a senior household budget.

If the combination of your housing, transportation, and food expenses are more than 70% of your budget then you are unlikely to have enough income for the rest of life's necessities, therefore it is important to cut those costs. If more than 20% of your household's budget goes to debt payments then you are likely to be in trouble financially. You should reduce your use of credit cards and other loan instruments.

The Consumer Law Project for Elders provides free legal assistance to seniors 60 or over who have consumer questions or problems.

The Consumer Law Project for Elders

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