

# April is Financial Literacy Month

## Rules of Thumb for Your Finances



This Financial Literacy Month, check in on your finances and see how they stack up against commonly used guidelines in the financial services industry.



### Budgeting

A budget is necessary for good money management, and the 50/30/20 rule is a widely recommended strategy to follow. Budget 50% of your money for needs and essential spending, 30% for wants, and 20% for savings.



### Emergency Savings

Aim to have an emergency fund that covers three to six months of your needs and essential spending. Set a six-month emergency fund target if you're the primary earner, have variable income, or pay higher monthly costs.



### Debt

Your debt-to-income ratio tells you whether you can afford monthly payments. Add up your monthly debt payments and divide that figure by your gross income—you (and lenders!) want this number to be 36% or lower.



### Retirement

Saving for retirement can feel daunting, but it doesn't have to be! Experts recommend setting aside 15% of your income for retirement; if your employer-sponsored plan includes a match, that can count toward this percentage.



### Insurance

Insurance coverage is essential and can provide you with peace of mind. If you have dependents, choose a life insurance plan that covers five to ten times your annual income to ensure your family can pay for funeral expenses and living costs without your income.



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