



## HOW HEALTHY IS YOUR HOUSING BUDGET?

*By GreenPath Financial Wellness*

**R**ent and home prices are hitting record highs recently and many of us face challenges when it comes to affordable housing. What's a healthy amount of your monthly budget to spend on housing? A common rule of thumb when it comes to your housing budget is to spend no more than 30% of your gross monthly income, which is your income before taxes and other deductions are taken out of your monthly paycheck. Renters should be sure that the 30% of gross monthly income includes rent, heat, water, and electricity. For homeowners, that 30% ratio includes mortgage payment and interest, insurance, property taxes and utilities.

### Check In with Your Budget

Take time to assess your monthly income against current expenses to review the suggested housing budget ratio. Do you have a realistic plan for the money that comes in each month?

### Take a Look at Debt

Many people find it hard to manage housing costs when struggling with high credit card balances or other debt. The longer you carry a high interest credit card balance, the more it takes a bite out of your available monthly income. You will save the most money by starting to pay as much extra as you can on your highest-interest debt first, and then once that's paid off, move on to your second-highest interest debt, and so on. If you are feeling stressed by debt, exploring options such as a debt management plan or working with a trusted financial counselor could help you reduce monthly payments and reduce the overall cost of your debt.

### Look for Ways to Reduce Expenses

Where might you be able to reduce costs?

- Plan your meals to reduce grocery bills
- Cancel streaming services you're not using
- Reduce your electric bill by cutting energy usage
- You may also be able to save money on your debt by finding options to lower interest rates or reduce monthly payments
- Postpone major purchases like a new car or other large item

### Connect with a Housing Counselor

Whether you are experiencing budget challenges as prices continue to rise, or longer-term financial challenges, a housing counselor can work with you to figure out your plan. Housing counselors from the trusted national non-profit GreenPath Financial Wellness can help you develop a customized plan to stay in your home.

*This article is shared by our partners at GreenPath Financial Wellness, a trusted national non-profit.*