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The Average American Budget

When it comes to allocating income for basic needs, entertainment, and gifting, how does your household compare?

According to a 2023 report from the Bureau of Labor Statistics, the average American household earns an average of \$87,432 a year before taxes and spends over 80% of their available income on basic necessities such as housing, food, and clothing. So, how does your household compare?

Housing

The average American spends roughly 34% of their income on shelter. This can include rent, mortgage interest, property taxes, maintenance, repairs, and home insurance.

Transportation

Americans spend an average of 16% of their total income on transportation, including the purchase and upkeep of their vehicle(s).

Food

Whether cooking at home or eating out, Americans spend an average of 12% of their income on food.

Clothing

Americans spend 3% of their total income on apparel.

Personal Insurance & Pensions

After “basic needs” are covered, Americans spend an average of 12% of their income on personal insurance and pensions.

Health Care & Health Insurance

The average American household spends an average of 8% of their total income on health care and health insurance.

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Entertainment

At the end of the day, Americans still manage to spend an average of 5% of their income on entertainment.

Gifting

Americans value charitable giving, spending an average of 4% of their income on cash contributions.

Citations.

1. Bureau of Labor Statistics, January 2023

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