

Budget for Infrequent Expenses



Even relatively rare expenses can be budget busters unless you save in advance. Though most of these expenses won't occur at once, if you ignore inevitable but occasional expenses, you'll never be prepared to meet them.

	Estimated annual cost*	Monthly savings deposit
Car repair	\$1,000	\$84
New tires for car	360	30
Car replacement	unknown	200
Dental Care	360	30
Vision Care	300	25
Television	480	40
Other Electronics	1,200	100
Total	\$3,700	\$509

This sample grid is for a 24-year-old women living on her own in a rental apartment. She owns a five-year-old car with 103,000 miles. She believes she can use it for two more years, as long as she buys new tires next year. In the meantime, she's saving for her next car.

Save what you can until you build a stronger backup fund to meet these and other now-and-then expenses. One effective strategy: As soon as you pay off a loan, divert that monthly payment to your savings or money market account.

**All amounts are estimates only: check actual costs in your area when setting your budget.*