

How to Buy a Home & Have Your Avocado Toast Too



By now most of us are aware of the viral article from this past spring that blamed the millennial generation's inability to contribute to the housing market on their avocado toast obsession. But we're here to tell you that there is a way to not only have your cake, but eat your avocado toast, too.

The millennial generation has a lot of debt—we are very aware. In the United States, recent college grads pay on average \$351 per month on their student loans on a 10 year repayment plan. Keep in mind that this is only an average, some may pay less and some may pay a lot more.

So for arguments sake let's make it a clean \$500 monthly payment in student loans. Knowing that the average salary of a recent college graduate is \$49,785, we can make a quick single income, millennial-approved monthly budget that includes your necessary debt payments.

After student loans (\$500), average rental expenses of a 1BR (rent plus utilities) in the city (\$1373.82), and your used-car monthly payment (\$355), there is \$1919.93 left over. Let's cut that in half for general savings like emergencies, a new couch, or that trip to Bali you've always wanted to take.

This leaves us with roughly \$959.96 (give or take a penny), and we'll take away \$359.96 for miscellaneous expenses like food, clothes, craft beer, and let's not forget that avocado toast. According to the above mentioned article, millennials are spending \$19 on each of these pieces of toast deliciously smothered in avocado—an over estimation, we're aware, but we'll go with it. Let's say that the avocado toast is a Sunday brunch treat, so that's four times a month and amounts to \$79. A pretty large percentage of your fun money, but treat yo'self. You work hard.

Finally, our imaginary budget leaves us with \$600, which will give you enough to put 20% down on a \$250,000 house in just under 7 years. As a first time buyer, though, 20% down is not a requirement. Make sure to look into your options.

We know that this isn't an exact template. Its purpose is mainly to show that buying a home is not an impossibility for millennials. You are allowed to indulge in the things you like while paying off your debts *and* save for an affordable home somewhere down the line.