

Commission Check Allocation Guide

For Real Estate Agents Who Want to Build a Sustainable Business & Life

Why This Matters

Real estate income can be inconsistent. A solid plan for each commission check helps reduce stress, avoid financial rollercoasters, and build a business that supports your life — not the other way around.

The 10/10/20/20/40 Rule (Customizable To Your Business)

Use this formula as a guide to break down each commission check in a way that covers business, taxes, life, and growth.

Taxes: 20%

Set aside immediately — federal, state, self-employment. Don't touch it. Open a separate account.

Business Expenses: 20%

Marketing, MLS dues, brokerage fees, transaction coordination, software/tools, client gifts.

Savings + Emergency Fund: 10%

Build a buffer for slow months, emergencies, or unexpected expenses.

Investments + Retirement: 10%

SEP IRA, Roth IRA, brokerage accounts — future you will thank you.

Personal Income: 40%

What you actually “pay yourself” — for rent/mortgage, groceries, lifestyle. Adjust as needed.

Optional Add-Ons

- **Debt Repayment:** Use a portion of savings/personal income if you're working on paying down debt.
- **Education & Development:** Allocate 2-5% for ongoing learning, coaching, or professional growth.
- **Fun Fund:** Want to reward yourself? Add a small percentage (2-5%) to enjoy the wins guilt-free.

Pro Tips

- **Automate Transfers:** Use automatic transfers to move money into different accounts once a commission hits.
- **Use Separate Accounts:** Have different bank accounts for taxes, business, savings, and personal spending.
- **Review Monthly:** Revisit your allocations quarterly or after a big income change.
- **Track Your Expenses:** Know your average deal cost to adjust your percentages realistically.

Example Breakdowns

Let's say you earn a \$10,000 commission:

- \$2,000 → Taxes
- \$2,000 → Business Expenses
- \$1,000 → Savings
- \$1,000 → Investments
- \$4,000 → Personal Income

Sustainability Check-In

Before spending that commission, ask:

- Have I paid myself and my future self?
- Is this money helping me grow my business or burn me out?
- Am I living within the 40%, or am I funding my life from business/tax money?

Your commission isn't just income — it's your chance to build the business and life you actually want. A thoughtful allocation strategy gives you freedom, confidence, and peace of mind.