

DEBT-TO- INCOME RATIO

This is a useful tool in determining your financial stress level. Do the math and consider where you are before taking on further debt.

1. Net income (gross monthly pay minus taxes only; i.e., federal taxes, state taxes and Social Security.) 1. _____
2. Installment credit (include charge accounts, car payments, advance pay, overpay, etc. Do not include rent, mortgage, utilities or insurance payments.)

Creditor monthly payment

- A. _____ \$ _____
- B. _____ \$ _____
- C. _____ \$ _____
- D. _____ \$ _____
- E. _____ \$ _____
- F. _____ \$ _____
- G. _____ \$ _____
- H. _____ \$ _____

2. _____

3. Divide line 2 by line 1, multiply by 100

(2) _____ ÷ (1) _____ x 100 = _____ %
TOTAL

Percent	Status
Less than 15%	Some additional credit may be used with caution.*
15–20%	Fully extended.
21 - 30%	Overextended.
Greater than 30%	Seriously overextended. Seek help!

* Will the additional monthly payment put you over 20 percent? Large families may have a difficult time with 16 percent or more.