

# ■ DEBT-TO-INCOME RATIO

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. \_\_\_\_\_  
**Total**

2. **Installment Credit** (Include charge accounts, car payments, advance pay, overpay, etc. Do not include rent, mortgage, utilities, or insurance payments.)

<i>Creditor</i>	<i>Monthly Payment</i>	
A. _____	\$ _____	
B. _____	\$ _____	
C. _____	\$ _____	
D. _____	\$ _____	
E. _____	\$ _____	
F. _____	\$ _____	
G. _____	\$ _____	
H. _____	\$ _____	2. _____ <b>Total</b>

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

(2) \_\_\_\_\_ ÷ (1) \_\_\_\_\_ x 100 = \_\_\_\_\_ %  
**Total**

<b>Percent</b>	<b>Status</b>
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%? Large families may have a difficult time with 16% or more.