DEBT TO INCOME RATIO WORKSHEET

How do you determine what level of debt is reasonable to carry at your income level? An easy way is to look at the relationship your monthly debt and your income. Use this simple formula to calculate your debt to income ratio.

\[
\frac{\text{Total Monthly Debt Payments}^1}{\text{Total Monthly Net Income}} = \text{Debt To Income Ratio}
\]

^1 Exclude rent/mortgage.

Place your information in the blocks below:

\[
\frac{\text{Total Monthly Debt Payments}}{\text{Total Monthly Net Income}} = \text{Debt To Income Ratio}
\]

If the resulting percentage is:

**Under 15%**  
**RELAX** – Your debt to income ratio is well within an acceptable range.

**15% - 30%**  
**BE CAUTIOUS** – You want to reduce your current debt load. Plan to attend a FLEPO workshop or schedule a one-on-one coaching session.

**Over 30%**  
**DANGER** – You are heavily indebted and in danger of losing control of your personal financial situation. Act now to take control of your finances by scheduling a one-on-one coaching session at your earliest convenience.

Source: Money Management International’s *Understanding Money and Credit Reference Guide*