Student Money Management

UT TYLER

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.

Total Monthly Debt Payments[1]	÷	**Total Monthly Net Income**	=	**Debt To Income Ratio**

[1]Exclude rent/mortgage.

Place your information in the blocks below:

	÷		=	

If the resulting percentage is:

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

15% - 20% — **BE CAUTIOUS** – You want to reduce your current debt load. Visit the UT Tyler SMM website for some tips on how to relieve some of your debt.

Over 20% — **DANGER** – You are heavily indebted and in danger of losing control of your personal financial situation. Visit the UT Tyler SMM for some tips on how to relieve some of your debt and take control of your finances.

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

Adapted from the UNT Student Money Management Center Website, http://moneymanagment.unt.edu