To use in an Expense Sheet:

CALCULATING CAR PAYMENT:

A. Based on how much you make, how much can you afford your car payment to be each month? .08 x net monthly income = car payment you can afford ***.08 x $3,800 = <u>$304 per month</u> (Example)***	***WHAT CAN YOU AFFORD:*** ***$ __________ per month***
B) Using the car on your wish list, compute the car payment you would pay on that car each month: Cost of car / 60 payments(5 yrs x 12 months) = payment ***$50,000 / 60 payments = <u>$833 payment</u>*** ***Can you afford the payment for the car each month?***	***COST OF THE PAYMENT for the car you <u>WANT</u>:*** ***$ __________ per month***
C) If you can't afford to buy the car on your wish list, find another car that you CAN afford the payment for.	***COST OF THE PAYMENT for the car you can afford:*** ***$ __________ per month***

CALCULATING RESIDENCE PAYMENT:

MORTGAGE (buying a home) a) 2.5 x <u>Gross YEARLY Income</u> = total cost of home you can afford ***Example: 2.5 x $45,600 = $114,000 total cost of home*** *b) Go to http://goo.gl/wXBsrC* *c) Plug in mortgage amount (total cost of home)* *d) Click on submit to find out your monthly payment*	***Total cost of the home you can afford:*** ***2.5 x $_______ = $____________*** ***Mortgage payment:*** ***$ ____________ per month***

OR

B) RENT (from a landlord) <u>Gross YEARLY Income</u> / 40 payments = rent per month ***Example: $45,600 / 40 = $1,140 per month***	***Rent Payment:*** ***$_________ / 40 = $_________ per month***