DEBT-TO-INCOME RATIO CALCULATION

There are 2 reasons why it's important that you understand the amount of debt you have in relation to your income:

- It is an indication of how healthy your finances are and how much pressure your debt is putting on your budget so you can decide whether you can handle more debt or not.
- When you apply for credit or a loan, lenders look at your debt-to-income ratio to consider your application.

CALCULATE YOUR DEBT-TO-INCOME RATIO IN THE TABLE BELOW

Use this percentage tool to see whether you've got a handle on your debt, there's room to improve or you're heading into trouble.

It's recommended that your debt-to-income ratio is less than 43%, which means that for every R100 you earn, R43 is going towards paying debt.

Enter your monthly debt payments. You can figure out this amount using our debt log	R
Divide it by your gross monthly income (the amount you earn before taxes and deductions)	÷ R
Multiply the total amount by 100	(amount) x 100
DEBT-TO-INCOME RATIO	= %

If your ratio is higher than 43%, consider strategies to reduce your debt or let us help you recover from financial distress.

Email us at DCCrestructures@standardbank.co.za or give us a call on **0860 111 400.**