

# EVALUATING YOUR FINANCIAL RESOURCES



## STEP 1: DETERMINE NET MONTHLY INCOME

### GROSS MONTHLY INCOME

Gross base pay (all wages and salaries other than overtime)	\$ _____
Net profit (from business)	\$ _____
Interest and dividends	\$ _____
Other income	\$ _____
Total gross income (add)	= \$ _____ + \$ _____

### DEDUCTIONS

Income tax (federal, state and local)	\$ _____
Social Security/retirement	\$ _____
Insurance (life, health and property)	\$ _____
Other	\$ _____
Total deductions (add)	= \$ _____ + \$ _____

**1 Total take-home pay**

**Subtract deductions from income** = \$ \_\_\_\_\_ + \$ \_\_\_\_\_

## STEP 2: FIGURE LONG-TERM MONTHLY OBLIGATIONS (MORE THAN 11 MONTHS)

Installment payments (car, furniture)	\$ _____
Other debt	\$ _____
Total long-term debt (add)	= \$ _____ + \$ _____

**2 Subtract long-term debt from total take-home pay. Bring forward the number from Step 1.**

+ \$ \_\_\_\_\_

## STEP 3: MONTHLY NONHOUSING EXPENSES

Food, beverages (home and work)	\$ _____
Transportation/auto expenses	\$ _____
Education	\$ _____
Medical/dental care	\$ _____
Clothing and grooming	\$ _____
Insurance (life and health)	\$ _____
Child care	\$ _____
Gifts and charity	\$ _____
Entertainment and recreation	\$ _____
Savings	\$ _____
Other	\$ _____
Total monthly nonhousing expenses (add)	= \$ _____ + \$ _____

**3 Subtract nonhousing expenses from total of Step 2**

= \$ \_\_\_\_\_

## STEP 4: ESTIMATE MONTHLY HOUSING EXPENSES

Proposed mortgage payment	\$ _____
Allowance for property taxes	\$ _____
Allowance for utilities (heat, water, phone, electricity)	\$ _____
Allowance for maintenance, furnishings	\$ _____
Allowance for insurance	\$ _____
<b>4 Total monthly housing expenses (add)</b>	<b>= \$ _____</b>

## STEP 5: COMPARE

Compare estimated monthly housing expenses (Step 4) with income available (Step 3). If income available from Step 3 does not equal or exceed monthly housing expenses, then you must re-evaluate your budget and resources.

**Total from Step 3 ≥ Total from Step 4**