My Financial Vitals Worksheet

Monthly Debt to Monthly Income Ratio or DTI: 36% or lower

Your DTI is your total mortgage interest, principal and insurance payment, property taxes and all recurring debt payments such as auto loan/lease payments and credit card payments divided by your gross monthly income. The generally-accepted recommendation is for a ratio of 36% or lower.

Mo. Debt Payments: $ ____________ ÷ Gross Mo. Income: $ ____________ = _________%

Housing Cost Ratio: 28% or lower.

The *Housing Cost Ratio* is your total mortgage interest, principal and insurance payment and property taxes divided by your gross monthly income.

Mortgage Payment: $ ____________ ÷ Gross Mo. Income: $ ____________ = _________%

Note: Monthly rent for an apartment should be less than 33% of net monthly income

Loan to Value Ratio or LTV: 80% or lower.

LTV is the total dollar amount of your outstanding mortgage balance divided by the fair market dollar value of your home. The generally-accepted recommendation is for a ratio of 80% or lower.

Mortgage Balance: $ ____________ ÷ Fair Market Value: $ ____________ = _________%

Total Debt to Assets Ratio: Less than 1 is recommended.

The *Total Debt to Assets Ratio* is the total dollar amount of all your outstanding liabilities e.g., mortgage, credit cards, loans, etc., listed on the right-hand side of your *Assets, Liabilities and Net Worth* worksheet divided by the total dollar value of your assets listed on the left-hand side of your worksheet. The generally-accepted recommendation is for a ratio of less than 1.

Total Liabilities: $ ____________ ÷ Total Assets: $ ____________ = __________

Liquidity Ratio: 2 to 6 months of "emergency funds" is recommended.
Money you can immediately access and use to pay expenses in the event of an unforeseen event or the loss of income. Liquid assets include checking and savings accounts, cash-on-hand and money market mutual funds. Divide this total by your monthly expenses.

Liquid Assets: $ ____________ ÷ Monthly Expenses $ ____________ = __________

Consumer Debt Ratio: 20% or lower.
The total amount of monthly recurring debt such as auto loans/lease payments, other loans and credit card payments divided by net monthly income.

Total Recurring Debt: $ ____________ ÷ Net Mo. Income: $ ____________ = _________%

Savings Rate to Income Ratio: 10 to 20% of gross earnings is recommended.
The total dollar amount of monthly savings that you put into your bank or credit union account, IRAs and employer-sponsored retirement accounts divided by gross monthly income. This can also be calculated annually using total annual savings and gross annual income.

Total Mo. Savings: $ ____________ ÷ Gross Mo. Income: $ ____________ = _________%