Calculating Income and Debt

Gather your income and debt documents together and run through these calculations.

1. Total amount of all recurring monthly income. $ ____________
2. Total of all fixed monthly payments (rent/mortgage, credit cards, auto payment, phone bill, utility payment (high average.) $ ____________
3. Subtract line 2 from line 1. This is your total amount of income less fixed expenses $ ____________
4. Typical average needs-based expenses not included above (groceries, gas, prescriptions, transportation expenses, etc.) $ ____________
5. Subtract line 4 from line 3. This is your total discretionary monthly income (spending/savings amount.) $ ____________

Now that you have a snapshot of your monthly income versus expenses, you can analyze what amount is available to save, spend on wants, use for unexpected expenses, or understand a shortfall to create a plan for reversal.

This is the groundwork for starting a budget.

The next step is to create a working household budget, repair and strengthen credit, and ultimately save for the future. When you're ready, please contact Eric Reed for assistance at (850) 487-3278 or EReed@FAAST.org.