Determine Your Maximum Monthly Payment

For financial well-being, experts say that total payments on all of your consumer loans should max out at 36 percent of your gross income. This worksheet will calculate a monthly payment just below that level. It will also calculate a safe payment if you’re renting and don’t have a mortgage.

Start with your gross monthly income (before taxes are taken out) $ ………………

Divide that number by 3

Add up your monthly debt and housing payments

Mortgage (or rent) $ ………………

Credit card debt $ ………………

Other car loans $ ………………

Student loans $ ………………

Medical debt or other loans $ ………………

Subtract monthly payments from income $ ………………

This is your maximum monthly car payment

If the number is zero or negative, it means taking out a car loan is risky for your financial health. If you must buy a vehicle, insert a dollar amount you have strong confidence that you can pay each month.

The Real Costs of Operating a Car

Choose the rate for your car

Maintenance cost per mile $ ………………

Gas cost per mile $ ………………

Operating cost per mile $ ………………

Total annual cost to operate $ ………………

The cost should be a chunk of your income, not the majority. For financial well-being, experts suggest that car payments shouldn’t exceed 20 percent of your income. This worksheet will calculate a safe payment. It will also calculate a payment if you must buy a vehicle. For financial well-being, experts say that total payments on all of your consumer loans should max out at 36 percent of your gross income. This worksheet will calculate a monthly payment just below that level. It will also calculate a safe payment if you’re renting and don’t have a mortgage.

Sources: FICO; Avalara via Edmunds.com; YourMechanic.com

*Car loan rates are averages as of Oct. 7, 2019.

Map shows each state’s maximum sales tax as of Jan. 1, 2019.