# 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) | ÷<br>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.**