

How much is TOO much?

Activity Sheet 8-1

The 20 / 10 rule**20 Rule: Maximum balance owing**

Yearly net income (after taxes):

20% of yearly net income:
(multiply yearly net income by 0.2)

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Maximum balance**10 Rule: Maximum monthly payment**

Monthly net income: (divide yearly net income by 12)

10% of monthly net income:
(multiply monthly net income by 0.1)

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Maximum monthly payment**Does this seem like a realistic amount of debt to carry? Why or why not?**