

## Power Over Debt Seminar

# Figure Your Credit Limits

How much is "safe" to spend on credit cards?

### Conservative approach:

1. Monthly take-home pay \$ \_\_\_\_\_

2. Basic living expenses (monthly):

Mortgage/rent	\$	_____
Utilities		_____
Food		_____
Transportation		_____
Medical expenses		_____
Clothing		_____
Child care		_____
Savings		_____
Other		_____

Total basic living expenses: \$ \_\_\_\_\_

3. Spendable income  
(take-home pay *minus* living expenses): \$ \_\_\_\_\_

4. Multiply spendable income by 33% (0.33): \$ \_\_\_\_\_  
Your credit card payments should not exceed this amount.

*Example:* If spendable income is \$800/month, multiply that by 33% to get \$264.

### Flexible approach:

1. Monthly take-home pay (same as above): \$ \_\_\_\_\_

2. Multiply take-home pay by 20% (0.20): \$ \_\_\_\_\_  
*Your credit card payments should not exceed this amount.*

*Example:* If take-home pay is \$2,000/month, multiply that by 20% to get \$400.

*NOTE:* The flexible approach likely will result in a higher amount than with the conservative approach.

**Date completed:** \_\_\_\_\_

