PowerPay Calculators & Education Center

Marsha A. Goetting
Ph.D., CFP®, CFCS
Professor & Extension Family Economics Specialist
Department of Agricultural Economics & Economics

Keri D. Hayes
Publications Assistant
Department of Agricultural Economics & Economics

PowerPay Calculators
Web site
(Utah State University-Extension)

https://powerpay.org

User Login

Welcome to PowerPay 5.0!
Below are a few exciting features of PowerPay 5.0. Login to the right and start gaining control of your financial future today!

- PowerPay: How soon can I be out of debt?
- Spending Plan: How much am I spending?
- PowerSave: How much am I saving?
- Calculators: How can I look at my finances quickly?
- Education Center: How can I learn more?

You must login before using PowerPay.

If new member, click [New? Sign up now]
Click Calculators Tab

Calculator Options
1. Housing Expenses
2. Loan Qualifier
3. Mortgage Comparison
4. Transportation Expenses
5. Additional Payment
6. Emergency Savings

Click on Housing Expenses Calculator

Housing Expense Calculator
• Percentage of income going towards home costs per month

Housing Expenses Calculator: This calculator shows the percentage of income going towards home costs per month.
Loan Qualifier Calculator: This calculator shows when a consumer will qualify for a home loan.
Mortgage Comparison Calculator: This calculator compares paying off a mortgage on a biweekly basis and a monthly basis.
Transportation Expenses Calculator: This calculator shows the percentage of income going towards transportation costs per month.
Additional Payment Calculator: This calculator shows the decreased payoff time, net effective interest rate, and interest savings from making an additional monthly payment on a loan.
Emergency Savings Calculator: This calculator shows the recommended emergency savings amount.
Example 1: Housing Expenses Calculator

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Take-Home Pay</td>
<td>5500</td>
</tr>
<tr>
<td>Monthly Mortgage (principal &amp; interest) Payment/Rent</td>
<td>1200</td>
</tr>
<tr>
<td>Monthly Property Taxes</td>
<td>95</td>
</tr>
<tr>
<td>Monthly Home Owner’s/Renter’s Insurance</td>
<td>100</td>
</tr>
<tr>
<td>Monthly Maintenance</td>
<td>50</td>
</tr>
<tr>
<td>Monthly Utilities</td>
<td>300</td>
</tr>
</tbody>
</table>

Calculate

Results (Example 1): Housing Expenses Calculator

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Expenses</td>
<td>$1745.00</td>
</tr>
<tr>
<td>% of your total income</td>
<td>31.727%</td>
</tr>
<tr>
<td>Recommended % of income</td>
<td>33-35%</td>
</tr>
</tbody>
</table>

Example 2: Housing Expenses Calculator

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Take-Home Pay</td>
<td>4000</td>
</tr>
<tr>
<td>Monthly Mortgage (principal &amp; interest) Payment/Rent</td>
<td>1400</td>
</tr>
<tr>
<td>Monthly Home/Property Taxes</td>
<td>150</td>
</tr>
<tr>
<td>Monthly Home Owner’s/Renter’s Insurance</td>
<td>100</td>
</tr>
<tr>
<td>Monthly Maintenance</td>
<td>50</td>
</tr>
<tr>
<td>Monthly Utilities</td>
<td>300</td>
</tr>
</tbody>
</table>

Calculate

Results (Example 2): Housing Expenses Calculator

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Expenses</td>
<td>$2000.00</td>
</tr>
<tr>
<td>% of your total income</td>
<td>50%</td>
</tr>
<tr>
<td>Recommended % of income</td>
<td>33-35%</td>
</tr>
</tbody>
</table>
Loan Qualifier Calculator

- How much to reduce monthly debt obligations to qualify for a loan

Lender requirement

- Borrowers debt must be less than given percentage of income to qualify for loan

Example

- 30% debt/income ratio
- No more than 30% of income is being used to pay creditors

Example 1: Loan Qualifier Calculator

<table>
<thead>
<tr>
<th>Debt to Income Ratio</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Take-Home Pay</td>
<td>5500</td>
</tr>
</tbody>
</table>

Calculate
Results (Example 1): Loan Qualifier Calculator

- Monthly Debt payment must be $1,375 or less

Example 2: Loan Qualifier Calculator

<table>
<thead>
<tr>
<th>Debt to Income Ratio</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Take-Home Pay</td>
<td>4000</td>
</tr>
</tbody>
</table>

Calculate

Results (Example 2): Loan Qualifier Calculator

- Monthly Debt payment must be $1,200 or less

Mortgage Comparison Calculator
Mortgage Comparison Calculator

• Compares paying off a mortgage:
  ▪ Biweekly
  ▪ Monthly

Example 1: Mortgage Comparison Calculator

| Loan Amount | 155000 |
| Loan Term (years) | 30 |
| Interest rate | 6.5 |

Calculate

Results (Example 1): Mortgage Comparison Calculator

| Monthly payment | $979.71 |
| Total Interest paid | $197,693.96 |
| Loan Term | 29 years 11 months |
| Biweekly payment | $489.85 |
| Total Interest paid | $152,164.37 |
| Loan Term | 24 years 2 months |

Savings from biweekly payments: $45,529.59
Repayment time reduction from making biweekly payments: 5 years 9 months
Results (Example 2): Mortgage Comparison Calculator

- **Loan Amount**: 200000
- **Loan Term (years)**: 30
- **Interest rate**: 5

[Calculate]

- **Monthly payment**: $1,073.64
- **Total Interest paid**: $186,511.57
- **Loan Term**: 29 years 11 months

- **Biweekly payment**: $536.82
- **Total Interest paid**: $152,183.63
- **Loan Term**: 25 years 3 months

Savings from biweekly payments: $34,327.94
Repayment time reduction from making biweekly payments: 4 years 8 months

Transportation Expenses Calculator

- Percentage of income spent on overall transportation costs per month
**Example: Transportation Expenses Calculator**

- Monthly Take-Home Pay: $5000
- Monthly Vehicle Payment: $385
- Monthly Public Transportation/Taxies: $0
- Average Monthly Gasoline: $300
- Monthly State Vehicle Tax: $40
- Monthly Automobile Insurance: $135
- Monthly Maintenance: $45

**Calculate**

**Results: Transportation Expense Calculator**

- Total Transportation Expense: $905.00
- % of Total Income: 18.1%
- Recommended % of Total Income: 18-20%

**Additional Payment Calculator**
Additional Payment Calculator

- Decreased payoff time
- Net effective interest rate
- Interest savings

Example: Additional Payment Calculator

| Loan Amount | 155000 |
| Loan Term | 30 |
| Interest Rate | 5.0 |
| Additional Monthly Payment | 150 |

Calculate

Results: Additional Payment Calculator

- Monthly Payment: $832.07 + $150.00 = $982.07
- Loan Paid Off in: 21 years 6 months
- Net effective interest rate: 3.4%
- Savings: $46,389.61

Emergency Savings Calculator

- How much to save for emergencies:
  - Unemployment
  - Furloughs
- Allow to pay expenses for 3 months
**Example: Emergency Savings Calculator**

**Monthly Expenses**  2900

Calculate

**Results: Emergency Savings Calculator**

- Monthly Expenses x 3 = $8700
- Monthly Expenses x 6 = $17,400
- Monthly Expenses x 8 = $23,200
Education Center Topics
- Budgeting
- Credit
- Debt Management
- Financial Binder

Education Center Topics, con’d.
- Finance Books
- Financial Resources
- Identity Theft
- Insurance

Education Center Topics, con’d.
- Live Within Your Means
- Living the American Dream
- Money Attitudes
- Saving & Investing
- Teaching Children About Money

PowerPay Calculators & Education Center