

Budgeting a Monthly Expense Calculation

Anthony’s financial advisor informed Anthony that his car payment was not to exceed 12% of his monthly earnings. What would Anthony’s car payment budget be? At this rate, how long would it take Anthony to pay for his \$25,000.00 car (assuming zero interest)?

Anthony’s monthly net income	$\$2,520.00 \times 2 = \$5,040.00$
Monthly car payment budget (12% of net earnings)	
Number of months to pay \$25,000.00	