

HOUSING FREEDOM CALCULATOR WORKSHEET

HOUSING FREEDOM CALCULATOR *From "The Wealthy Janitor" by Rich Abbott*

INSTRUCTIONS:

Calculate if your housing cost is sabotaging your wealth. Fill in the blanks below and do the simple math.

STEP 1: YOUR NUMBERS

Monthly Take-Home Income (after taxes):

\$ _____

Monthly Housing Cost (rent or mortgage + property taxes + insurance):

\$ _____

STEP 2: CALCULATE YOUR PERCENTAGE

Formula: $(\text{Housing Cost} \div \text{Income}) \times 100 = \text{_____}\%$

Example: $(\$1,200 \div \$3,500) \times 100 = 34.3\%$

Your Housing Percentage: _____%

STEP 3: WHAT YOUR PERCENTAGE MEANS

Check the box that matches your percentage:

0-15% (EXCELLENT)

You're on the Wealthy Janitor path. Keep doing what you're doing and invest the difference.

16-25% (ACCEPTABLE)

You're not in danger, but you could build wealth faster. Consider ways to reduce this.

26-35% (WARNING)

Your housing cost is limiting your wealth-building potential. You need a plan to cut this.

36%+ (CRITICAL)

You cannot build wealth at this housing cost. Immediate action required.

STEP 4: CALCULATE YOUR SAVINGS POTENTIAL

Target Housing Cost (15% of income):

Income \$ _____ × 0.15 = \$ _____

Current Housing Cost: \$ _____

Monthly Savings Potential:

Current Cost \$ _____ – Target Cost \$ _____ = \$ _____/month

What that means over 20 years:

Monthly Savings \$ _____ × 12 months × 150* = \$ _____

*This multiplier assumes 10% average annual return and accounts for compound growth

STEP 5: WHAT TO DO NEXT

Check your status above, then choose your action:

If EXCELLENT (0-15%):

You're already winning. Now focus on investing the savings.

Action: Invest \$ _____ per month into index funds (VTSAX, VFIAX, or VTWAX)

If ACCEPTABLE (16-25%):

You're close. Consider these options:

- Get a roommate (saves \$400-800/month)
- Downsize to a smaller place
- Refinance your mortgage
- House-hack (rent out a room)

My plan: _____

If WARNING (26-35%):

You need a plan. Options:

- Move to a lower-cost area
- Buy a mobile home or small house outright
- House-hack (duplex, rent out rooms)
- Increase income AND cut housing

My plan: _____

If CRITICAL (36%+):

Emergency mode. You must take immediate action:

- Move back with family temporarily
- Get 2-3 roommates
- Sell your house and rent cheaper
- Buy a \$5K-10K mobile home
- Geographic arbitrage (move to cheaper state)

My plan: _____

Target date to execute: _____

STEP 6: TRACK YOUR PROGRESS

| Month | Housing Cost | Percentage | Notes |
|----------|--------------|------------|-------|
| Start | \$_____ | ____% | |
| Month 3 | \$_____ | ____% | |
| Month 6 | \$_____ | ____% | |
| Month 12 | \$_____ | ____% | |

THE BOTTOM LINE:

Current housing cost: \$/month

Target housing cost (15%): \$/month

Monthly savings if you hit target: \$_____

20-year wealth impact: \$_____

NEXT STEPS:

- Complete Wealthy Janitor Toolkit at RichAbbott.com/wealthy-janitor-toolkit
 - Read the book: "**The Wealthy Janitor: The Billion-Dollar Mistake That Taught Me How Regular People Actually Get Rich**" by Rich Abbott
 - Subscribe to The Stewardship Newsletter at RichAbbott.com/newsletter
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