

Creating a cash flow budget

A cash flow budget is all about tracking the timing of your income and expenses to make sure you have enough from week to week.

Before you can build a cash flow budget, you will need to track your income, resources, and expenses for at least one month. Use the Income and benefits tracker in Module 3 and the Spending tracker in Module 4 to help you get started. You'll need the information from both of these tools to create your cash flow budget.

What to do

- **Enter your beginning balance for the week.**
- **Add all of the income and benefits you receive that week. Subtract all of your expenses for that week.** Include the money you spend on everyday expenses, bills, and savings. Also include benefits you use to pay for things that would otherwise be paid for with cash, such as SNAP and TANF. Remember that some benefits may only be used for specific expenses. For example, SNAP benefits can be used for food, but not household items, like paper towels. If you receive a housing subsidy, include the full value of the subsidy under income and resources and the full market rate of your rent under expenses.
- **What's left is your ending balance.** If it's positive, you have enough income and benefits to make it through the week. If it's negative, you're falling short.
- **Copy your ending balance for the week to the beginning balance of the next week.** Repeat these steps for the rest of the weeks that month.

A step further

If it looks like there are weeks where your expenses are more than your income and benefits, you can use the "Improving cash flow" tool in the toolkit to brainstorm some strategies for getting back on track.



To access a dynamic and fillable version of this tool, visit <https://www.consumerfinance.gov/your-money-your-goals/tools>



Consider expense and income timing by **Creating a cash flow budget**

1. Enter your starting balance for the month under Week 1. This is the total amount of money available to you from cash on-hand, prepaid cards, and checking and saving accounts.
2. Write down the amounts you receive during Week 1 from the categories listed. If you have income from other categories, add them together and write them under "Other."
3. Add up all your income for Week 1 and enter under "Total income."
4. Write down the amounts you spend during Week 1. If you have expenses from other categories, add them together and write them under "Other."
5. Subtract all the expenses for Week 1 from the "Total income" for Week 1. Write this amount in "Ending weekly balance."
6. Copy the amount from "Ending weekly balance" from Week 1 into the "Starting balance" for Week 2. Repeat steps 2 through 5 for the remaining weeks in the month.

		WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5
BEGINNING WEEKLY BALANCE	1	Starting balance \$250	\$400	\$	\$	\$
+ ADD MONEY YOU RECEIVE EACH WEEK	2	+ 300				
		+ 100				
		+				
	3	Total income = 650	=	=	=	=
- SUBTRACT YOUR WEEKLY EXPENSES	4	- 200				
		- 35				
		- 15				
ENDING WEEKLY BALANCE	5	= 400	6 =	=	=	=

		WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5
BEGINNING WEEKLY BALANCE	Your starting balance is a total of your cash, prepaid card, and account balances.	Starting balance \$	Wk. 1 ending balance \$	Wk. 2 ending balance \$	Wk. 3 ending balance \$	Wk. 4 ending balance \$
 ADD MONEY YOU RECEIVE EACH WEEK	Job 1	+				
	Job 2	+				
	Housing subsidy	+				
	SNAP	+				
	TANF	+				
	Other	+				
	Total income	=	=	=	=	=
 SUBTRACT YOUR WEEKLY EXPENSES	Cell phone	-				
	Debt payment	-				
	Eating out	-				
	Education and childcare	-				
	Entertainment	-				
	Groceries and other supplies	-				
	Health expenses	-				
	Helping others	-				
	Housing and utilities	-				
	Pets	-				
	Savings for emergency fund	-				
	Savings for goals like education or retirement	-				
	Transport	-				
Other	-					
ENDING WEEKLY BALANCE		=	=	=	=	=