

Planning for the year

Planning your income and expenses for the year can help you make the most of extra income or plan to have financial resources on hand to cover occasional expenses.

Using a cash flow budget can be difficult for servicemembers, veterans, and their families because income and expenses can be unpredictable. For example, they may receive a bonus or may lose Special or Incentive Pay. They may have months when expenses are higher due to a Permanent Change of Station (PCS), temporary assignment, vacation, taxes, a religious observance, or back to school expenses.

Because variability in pay and expenses are common in military life, looking at finances on an annual basis is important.

Use this tool to help military families think through when their income may increase or decrease and when they may have irregular expenses.

What to do

- **Think about anticipated changes in income, benefits, and spending.** Estimate the amount of the increase or decrease in income or spending and the date you expect this to happen.
- **Total up the changes by month.** Make a note of which months there may be a change in income and benefits.
- **Put the completed tool in a place you can see it.** This visual reminder may help you remember when expenses are coming due and when you can anticipate increases or decreases in income.

To access a dynamic and fillable version of this tool, visit consumerfinance.gov/your-money-your-goals/companion-guides.



Keep track of your changing cash flow by **Planning for the year**

1. Complete Part 1: Anticipated changes in income, benefits, and spending.
2. Use the answers from Part 1 to complete Part 2: Irregular income, benefits, and spending by month. For each month, add your net changes to income and benefits and irregular spending.
3. Place this chart with your cash flow budget in a spot you can see it regularly. This will help keep you financially ready.

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Part 1: Anticipated changes in income, benefits, and spending

| Thinking about income and benefits | Increase or decrease amount | Anticipated dates |
|---|-----------------------------|-------------------|
| 1. Do you or your spouse or partner expect a bonus? | | |
| 2. Do you or your spouse or partner expect a temporary increase in pay due to a Special or Incentive Pay? | | |
| 3. Do you or your spouse or partner expect a decrease in pay at any time during the year? | | |
| 4. Do you expect to receive a tax refund? | | |
| 5. Do you expect to receive any military, tribal, or other public benefits that are received one or a few times per year? For example, if you experience a PCS this year, you will receive additional allowances. | | |
| 6. Do you or any member of your household work seasonal jobs? | | |
| 7. Do you or any member of your household earn income sporadically through contract or other work? | | |
| 8. Other | | |

| Thinking about spending | Typical cost | Anticipated dates |
|--|--------------|-------------------|
| 1. Do you expect a PCS, retirement, or any assignment that may lead to a move? | | |
| 2. Do you have to pay for any adaptations to your home or vehicle due to seen or unseen injuries from military service? | | |
| 3. Do you have children attending school and anticipate spending on clothing, school supplies, and activity fees (e.g. sports, band, arts, etc.) | | |
| 4. Do you make any charitable contributions periodically or at year end? | | |
| 5. Does a member of the household owe and make quarterly self-employment or other income tax payments? | | |
| 6. Do you pay property, vehicle, or other taxes on a quarterly, semi-annual, or annual basis? | | |
| 7. Do you pay insurance of any kind on a quarterly, semi-annual, or annual basis? | | |
| 8. Do you anticipate taking a vacation? | | |
| 9. Do you celebrate any religious or cultural celebrations? Family member birthdays? | | |
| 10. Do you anticipate making any major purchases like appliances or a new vehicle this year? | | |
| 11. Other: | | |

Part 2: Irregular income, benefits, and spending by month

| Month | No changes in income or benefits | Estimated irregular spending |
|-----------|----------------------------------|------------------------------|
| January | | |
| February | | |
| March | | |
| April | | |
| May | | |
| June | | |
| July | | |
| August | | |
| September | | |
| October | | |
| November | | |
| December | | |

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