

How to create a Cash Flow Budget

A resource provided by the [Consumer Financial Protection's Your Money, Your Goals toolkit](#).

Creating a cash flow budget is necessary for individuals to manage their finances effectively. It can help you prioritize your expenditures, providing you with a detailed overview of expected cash inflows and cash outflows over a specific period of time, helping you anticipate financial needs while avoiding cash shortages.

Using a cash flow budget can help you prepare for unexpected expenses, pay down debt, and ensure you have enough cash to cover essential obligations.

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, like 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 to brainstorm some strategies for getting back on track.

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.

Example

Beginning Weekly Balance		Starting Balance				
		\$250	\$400	\$	\$	\$
+ Add money You receive Each week	1	+ 300				
	2	+ 100				
	Total Income	= 650	=	=	=	=
- Subtract Your weekly Expenses	3	- 200				
	4	- 35				
		- 15				
	5	Total Income = 400	6	=	=	=

Beginning Weekly Balance	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	Cellphone	-			
Debt payment		-				
Eating out		-				
Education & Childcare		-				
Entertainment		-				
Groceries & other supplies		-				
Health Expenses		-				
Helping Others		-				
Housing & Utilities		-				
Pets		-				
Savings for Emergency Fund		-				
Savings for Goals		-				
Transport		-				
Other		-				
Ending Weekly Balance	=	=	=	=	=	

This tool is included in the Bureau of Consumer Financial Protection's Your Money, Your Goals: A financial empowerment toolkit.

This tool is included in the Bureau of Consumer Financial Protection's Your Money, Your Goals: A financial empowerment toolkit.

The Bureau has prepared this material as a resource for the public.

This material is provided for educational and information purposes only. It is not a replacement for the guidance or advice of an accountant, certified financial advisor, or otherwise qualified professional. The Bureau is not responsible for the advice or actions of the individuals or entities from which you received the Bureau educational materials. The Bureau's educational efforts are limited to the materials that the Bureau has prepared.

This tool may ask you to provide sensitive information. The Bureau does not collect this information and is not responsible for how your information may be used if you provide it to others. The Bureau recommends that you do not include names, account numbers, or other sensitive information and that users follow their organization's policies regarding personal information.