Cash Flow Analysis Worksheet

Potential Strategies to Consider

I. Savings

- Reposition monthly savings to tax-deferred, tax-free, or tax-deductible accounts to lower the current expense of income tax (P9, S7, S8, S9, G3)
- Withdraw earnings from non-qualified savings vehicles to flatten or reduce compound taxes (P9, S7, S8, S9, G3)
- Increase retirement plan contributions to maximize the employer match (S9)

II. Debt Payments

- Refinance short-term mortgages to long-term mortgages to lower monthly payments (G8)
- Re-finance to lower interest rate mortgages to lower monthly payment (G8)
- Consolidate non-deductible consumer loans to Equity Line of Credit to maximize tax-deductibility, if possible (G8)
- Minimize use of credit card debt
- Investigate intra-family financing
- Use collateral loans or life insurance loans (P9)

III. Fixed Expenses

Home

- Take advantage of home office business deductions, if applicable
- Have home reappraised

Taxes

- Increase withholding exemptions to increase take-home pay
- Save government retirement taxes by employing only one spouse in a family business, if applicable (G9)
- Use professional tax planning

Insurance

- Raise deductibles on home and auto insurance (P1, P2)
- Select insurance based on its overall value, efficiency and effectiveness (P1, P2, P3, P4, P5, P9)
- Avoid coverage duplication (P1, P2, P3, P4, P5, P9)
- Eliminate unnecessary coverage (P1, P2, P3, P4, P5, P9)
- Investigate multiple policy discounts from one carrier (P1, P2, P3)
- Avoid additional premium for high frequency payment plans (P1, P2, P3, P4, P5, P6, P7, P8, P9)
- Some taxable savings to tax-advantaged life insurance (S1-S6 P9)
- Avoid Term Life Insurance lost opportunity cost (P9)

Miscellaneous Fixed Expenses

- Review and reduce unnecessary expenditures

IV. Variable/Fixed Expenses

Utility Bills

- Investigate consolidating telephone, fax, cable, cell phone with one provider for discounts and ease of administration and management
- Consider electronic bill-paying for discounts
- Consider flat monthly budget-pay plans
- Investigate energy efficiency techniques for home
- Investigate water conservation devices and techniques for home

IV. Variable/Fixed Expenses (Continued)

Transportation

- Investigate carpooling
- Investigate public transportation
- Investigate alternate-fuel vehicles
- Investigate availability of flex-time and off-peak hours driving and commuting
- Maintain vehicles regularly to avoid poor fuel efficiency and make repairs promptly to avoid larger repair bills
- Use non-toll roads
- Tax-deduct all business travel expenses
- Take advantage of Frequent Traveler Points for budget needs rather than unnecessary items

Education

- Avoid unnecessary subscriptions that are not required
- Buy used books
- Recycle or trade in books when finished
- Use strategic financial move options for education funding
- Tax-deduct all business periodicals, books and training

Food

- Use coupons, discount clubs, supermarket discount cards
- Avoid non-essential food purchases
- Comparison shop
- Shop online

- **Miscellaneous Variable Fixed Expenses**
- Use coupons, discount clubs, department store discount cards, plus frequent flyer and points programs
- Avoid non-essential purchases
- Comparison shop
- Online Shop
- Shop online and from catalogs
- Consider purchase of used items when appropriate

V. Discretionary Expenses

Personal Care

- Avoid unnecessary expenditures
- Maintain good health through proper exercise and diet
- Have regular annual check-ups
- Comparison shop

Leisure

- Use Frequent Traveler Points
- Avoid unnecessary cable or satellite TV service expenditures
- Take advantage of media available at the public library
- Take advantage of promotional vacations
- Take advantage of online discount travel services
- Tax-deduct allowable business entertainment
- Take advantage of matinee entertainment opportunities
- Piggy-back personal or family vacations with business travel

Miscellaneous Discretionary Expenses

- Tax-deduct all donated clothing, home and personal items
- Avoid all unnecessary and frivolous expenditures
- Donate time rather than monetary exchange to charities
- Comparison shop for incidentals
- Use discount clubs and online shopping services for incidentals

This list of potential strategies is intended to be a guide rather than an exhaustive list of all possibilities. Some strategies may be more suitable or appropriate than others based on your own particular financial position.

Cash Flow Analysis

I. Savings	Monthly Amount
Savings Accounts	$
Retirement Accounts	$
Individual Investments	$
Other	$
Other	$
Total Savings	$ 0

II. Debt Payments	
Mortgage	$
Mortgage	$
Bank Loans	$
Car Lease/Loan	$
Credit Cards	$
Other Loans	$
Total Debt Payments	$ 0

III. Fixed Expenses	
Home	
Real Estate Taxes	$
Maintenance Fees	$
Taxes	
Federal Income	$
State/Prov. Income	$
Local Income	$
Government Retirement	$
Medicare/Health	$
Real Estate	$
Other	$
Insurance	
Home/Rental Insurance	$
Disability Insurance	$
Health Insurance	$
Life Insurance	$
Automobile Insurance	$
Other	$
Miscellaneous	
Dues, Licenses, Fees	$
Other	$
Total Fixed Expenses	$ 0

IV. Variable/Fixed Expenses	
Bills	
Telephone	$
Cable	$
Electricity	$
Heating Gas/Oil	$
Water/Sewage	$

IV. Variable/Fixed Expenses (Continued)	
Garbage/Recycling	$
Child Care	$
Doctors/Prescriptions	$
Pet Foods/Supplies	$
Transportation	
Gas/Oil	$
Tolls	$
Parking	$
Maintenance/Repairs	$
Education	
Tuition	$
Books	$
Food	
Groceries	$
Dining	$
Miscellaneous	
Basic Clothing	$
Other	$
Other	$
Total Variable/Fixed Expenses	$ 0

V. Discretionary Expenses	
Personal Care	$
Health Club	$
Beauty	$
Leisure	$
Vacation	$
Entertainment	$
Newspapers/Periodicals	$
Miscellaneous	$
Discretionary Clothing	$
Charitable Contributions	$
Household	$
Incidentals	$
Gifts	$
Other	$
Total Discretionary Expenses	$ 0

Total Monthly Outlay	
I. Savings	$ 0
II. Debt Payments	$ 0
III. Fixed Expenses	$ 0
IV. Variable/Fixed Expenses	$ 0
V. Discretionary Expenses	$ 0

TOTAL	0

Cash Flow Study

Gross Monthly Income	$		
Less			
Monthly Savings	(-) $	0	(Total from Section I)
Less			
Monthly Expenses	(-) $	0	(Total from Sections II, III, IV, & V)
Net Monthly Cash Flow	= $	0	

If **Net Monthly Cash Flow** is a **negative number**, then your monthly expenditures and savings exceed your gross monthly income. A negative cash flow may lead to increased debt and a loss of wealth building potential over your lifetime. In order to balance your budget, you should seek to decrease debt balances and/or reassess expense allocations. Ask your financial representative if a Cash Flow Management study is appropriate to use in your financial situation.

If **Net Monthly Cash Flow** is a **positive number**, then your monthly expenditures and savings are less than your gross monthly income. This means that you may be able to use more monthly income to reduce debt and/or increase savings or life style. This type of positive cash flow, if continued, provides a potential opportunity for wealth building and the realization of meeting financial needs, goals and desires.

Savings Study

For many people, a savings rate of at least 15% of gross annual income is considered to be appropriate for long-term financial well-being. To provide for increases in quality of life, retirement, college education, and other needs and desires, a dedicated savings plan is necessary. An annual savings rate of at least 15% helps to account for future wealth eroding factors such as taxes, technological change, planned obsolescence, inflation, and unknown variables. Without proper consideration of such factors, individuals may not reach their financial needs, goals or desires. Your financial representative will help you develop an appropriate and effective savings strategy.

Gross Monthly Income	$		
Savings Target	(-) $	0	(15% of Gross Monthly Income)
Less			
Monthly Savings	(-) $	0	(Total from Section I)
Additional Savings Objective	= $	0	Amount Required to Reach 15% Savings Rate Goal

Notes