

**Worksheet 2: Personal Cash Flow Statement** (12 points)

Directions: Prepare an income and expense cash flow statement for a month. Answer response questions below.

\*All worksheet answers **MUST be TYPED** or 2 points will be take off for each assignment turned in not typed (i.e., handwriting)

Cash Inflows			Cash Outflows	
	Monthly			Monthly
Salary	840.00		Utilities	50.00
			Music Subscription	7.99
			Netflix Subscription	13.99
			Gym membership	10.00
			Alcohol	~80.00
			Groceries	50.00
			Eating out	80.00
			Entertainment	100.00
			Transportation	35.00
<b>Total Cash Inflows</b>	840.00			
			<b>Total Cash Outflows</b>	426.98
<b>TOTALS</b>				
<b>Monthly Net Cash Flow:</b>	840.00			
	- 426.98			
	= 413.02			

**Response Questions:** (2 points for question 1 and 4 points for question 2)

1. What surprises you about your cash flow statement and monthly net cash flow amount? Discuss 2 things that surprised you.

One thing that should be mentioned is that my salary has recently increased within the past month (which explains the discrepancy between worksheet 1 and this statement).

That being said, the most surprising thing about my cash flow statement is the fact that I (will) actually have a surplus at the end of each month. This would allow me to add more into my savings at the end of each month, and perhaps even spend a little more on entertainment. Another surprising aspect of the statement was the realization that I spend roughly the same amount on eating out as I spend on alcohol, while the amount that I spend on groceries is significantly less. While this isn't uncommon as a college student, it's definitely something I wasn't entirely aware of until I wrote it down.

2. Two parts to this question:
  - a) Where would you like to make changes with your cash flow statement? Provide 2 examples.

As mentioned before, I spend less on groceries than I do on both alcohol and eating Out. Even though inexpensive grocery stores aren't readily available where I live, I would like to focus on changing this by eating out less and spending less on alcohol.

Another change I would like to make is to spend less on transportation. Most of the amount that I spend on transportation comes from ordering Uber's/Lyfts to get to places like downtown and St. Paul. While this is very convenient, it isn't the best way that I could utilize available transportation if I was looking to cut my spending.

- b) For each change listed, provide a financial management strategy that you will use in order to make this change happen.

An easy way to manage the first the issue is to simply buy more groceries so that I'm inclined cook more of my own meals rather than eating out as much as I currently do.

This will however mean that I should probably find a better grocery store to go to (such as Cub) rather than buying my groceries at the closest Target to my apartment.

In addition to this, I can also spend less money on alcohol when I go out by buying my own and drinking with friends at home before we go out. This way, I'll be less prone to buying as many drinks as I do.

To mitigate the amount that I spend on transportation, one plan would be to use that bus more to get to where I need to go. At the beginning of every semester, I buy a bus pass which I use to get to and from campus, however I don't really use it for anything other than that. By simply using this pass to get to wherever I need to go instead of ordering an Uber/Lyft, I can dramatically cut the amount I spend each month on transportation.