

How to use the spreadsheet for The Happy Giraffe Budget



Basic concept

When we first figured out the basics of The Happy Giraffe Budget we were mostly living off student loans. This meant we had a big check for the first day of our budget. We just had to make it last until we started another semester and got another big check. We didn't have to worry about the timing of our income vs our expenses. We also knew we were using every penny of that money by the time the next check came. We only borrowed enough to make it to the next semester.

If you follow the steps in the book (total income – total fixed expenses, then divide what's left by weeks) you are making the same assumptions for your own budget. 1) You have all of the money you need right now and 2) you want to be completely broke at the end. In reality, this is your **maximum** weekly allowance. It is the most you *could* spend if you are living in a situation like we were. That doesn't work very well for most people. It certainly didn't work for us once we were done with college.

So how do you handle normal life where rent may be due on the 4th but your paycheck doesn't hit until the 8th? Where you might get paid every 2 weeks, so some months have more than 2 paychecks? Where you know you have a big yearly payment coming up and you don't know if you will have enough to cover it when it comes? Or tons of other questions about the timing of income vs expenses?

It can seem really complicated. This is why most people try to budget monthly and spend a lot of effort trying to time everything out. Your life seems to be completely different each month. We felt the same way. Luckily, Nigel is pretty good with spreadsheets. They can do a lot of math very quickly and do all of the hard stuff for you. **This won't be nearly as scary as it seems.**

What you will notice is that we don't combine budgeting and spreadsheets the way most people do. In The Happy Giraffe Budget, the spreadsheet only exists to help you figure out what your weekly allowance should be. It helps you see all the ups and downs in your cash flow so that it will be very clear and easy to tell what kind of weekly allowance your finances can actually handle. That's all it does. You don't need to track things in it every day or week. You don't need to learn how to be more comfortable using a spreadsheet every day. None of that. It just helps set up your budget.

For help tracking and living to your budget every day, we recommend an app called GoodBudget that you can get for free on Android or Apple. We will write another tutorial like this showing how to use the app. But the point is that the spreadsheet is for creating your budget. Living it doesn't happen in the spreadsheet.

So let's move on to how to use this thing!

1) Period

The tabs along the bottom of the spreadsheet follow the same steps as the book. So first you need to decide on the period for your budget. Enter a start date and the number of weeks.

Start	Monday, April 3, 2023
Weeks	104
Years	2
End	Sunday, March 30, 2025

The start date you put in will mark the beginning of your weeks. So if you want your budget to start on a Monday, put the start date on a Monday. Choose any day you want.

We recommend 52 weeks or 104 weeks (1 or 2 years) for most people. It helps to see out into the future for a while and understand what is happening. If you have something more specific you are working toward (like the end of a school semester) use that instead.

The spreadsheet will show you how many years you have entered and what day your budget will “end” (It never really ends, but the spreadsheet can’t calculate forever). In the example above it is helpful to know that if my mortgage payment is on the first of the month, the April 2025 payment will not be included in the expense totals I will see later. That is OK though. We won’t let you go broke the day before it’s due.

2) Income

The next tab along the bottom of the spreadsheet will take you to the income section. You’ll start with your current bank balance and then list your sources of income.

Bank Balance \$1,500.00

Income Sources:

Name	Type	Take Home Amount	Next Pay Date
My Only Paycheck	Every Other Week	\$1,750.00	April 7, 2023

For your “Bank Balance” include any money you have that is going to be used to help pay for your expenses. It doesn’t matter if it is in cash, several bank accounts, or whatever. If it is to help pay for everyday living, put it in there. **Don’t** include savings though! You’ve saved that for something special. You don’t want that used up on boring everyday stuff.

For your sources of income, put a description in the “Name” column.

In the “Type” column select one of the options in the dropdown (Weekly, Every Other Week, 1st and 15th, 2nd Wednesday, 3rd Wednesday, 4th Wednesday Monthly, Yearly, One-Time).

Under “Take Home Amount” type in what you actually take home and are able to spend. Your budget doesn’t care about your taxes and insurance or anything else. It wants to know what you are able to use. If this isn’t always the same amount, guess on the low end. Let those over-time hours or bonuses be a surprise to your budget.

Under “Next Pay Date” put the date of the next payment. With this information, the spreadsheet can figure out how much money you have to work with throughout your budget period.

3) Fixed Expenses

This is where things look a little scarier, but it’s OK. We’ll walk you through it section by section.

Monthly

Monthly		
Monthly Total	\$1,975.00	
Description	Amount	Day of the Month
Mortgage/Rent	\$1,200.00	20
Utilities	\$200.00	11
Internet/Cable	\$100.00	10
Car Payment	\$250.00	6
Cell Phone	\$75.00	27
Savings	\$150.00	25

The bulk of this is pretty normal budgeting stuff. Put in your bills, the amount, and the day they are due. For true fixed expenses that happen in the same amount at the same time every month, this isn’t bad. It can be emotionally difficult to see how many things we pay for each month or how much we pay for them, but it isn’t too hard to find the information.

Utilities is always an interesting one. We have electricity and gas lumped together for utilities because one goes up in the summer and the other goes up in the winter. They kind of average each other out. It still isn’t perfect, so we guess a little high. When it comes in as less, we get to spend that money somewhere else. When it comes in as higher, we pull it from savings. You might be able to get on a plan with the utility company that will even out your cost so it is the same each month. That would work too.

The last one we need to mention is savings. Again, when we first did this we had no extra money for savings at all. But if you can find a way, we highly recommend putting something into savings each month. For us, this goes into what we call our emergency fund. We have an online bank account where we don’t have quick access to the money. We talk about having an emergency fund in the book. We totally understand if you can’t put much into it right away but make it one of your first priorities. You will absolutely have a financial emergency at some point. We all do. It is normal. So plan your best for one.

Yearly

Yearly		
Yearly Total		\$1,400.00
Description	Amount	Due Date
Car Insurance	\$400.00	2/15/2023
Car Registration	\$300.00	6/1/2023
Christmas	\$700.00	12/1/2023

Did you know that holidays happen around the same time each year? They usually do. So plan for them! Also, plan for the stuff you don't like paying for, like car insurance and registration fees. Don't forget annual subscriptions for things like apps or magazines (do magazine subscriptions even exist anymore?). If it happens every 6 months, make 2 lines for it or put it in the "Other" section we'll talk about later. The spreadsheet will do the hard work of projecting these expenses into every year of the future for you.

One-Time

One-Time		
One-Time Total		\$390.00
Description	Amount	Due Date
Credit Card Payoff	\$190.00	4/3/2023
Birthday Party	\$200.00	5/1/2023

These probably don't qualify as a fixed expense, but it is helpful to be able to put things in here that you know you are going to need. It could be a wedding coming up that you are going to attend, a trip for your kid at school, sports fees for school kids, a big birthday party, paying off your credit card, or something else. If you don't have anything in this section, that is perfectly alright. Just leave it blank.

Other

Other				
Other Total		\$275.00		
Description	Amount	Frequency	Start Date	End Date
Charity	\$175.00	Every Other Week	4/7/2023	
Pest Control	\$100.00	Every 3 Months	4/25/2023	10/25/2023

This is the new section. It's the catch all for anything that didn't fit into the other areas. **Amount, frequency, and start date are required! End date is not.** The dropdown list in the frequency column includes all the options from the income tab too. This way you can line up an expense with when you get paid. Make the expense have the same frequency as your income. Then select a start date on one of your paydays. Now your payday and the expense are lined up! This section is also helpful for expenses you know won't start right away, or ones you know will end soon. This should cover every case you can reasonably know ahead of time for your fixed expenses.

Your expenses are in! Great Job! That was the hardest part of this whole process. The rest is the spreadsheet doing its magic.

4) Happy Money

This tab is why the spreadsheet exists. This is the exciting part...if you like spreadsheets...or budgeting...which you might not just yet, but you will!

4) Happy Money = \$300.00 Per Week

Below is your **maximum** weekly allowance in an easy, perfect world.

Total Income	Minus	Total Fixed Expenses	Equals	Spendable Money
\$92,500.00	-	\$59,990.00	=	\$32,510.00
Spendable Money	Divided by	Weeks	Equals	Max. Allowance
\$32,510.00	/	104	=	<u>\$312.60</u>

At the very top you will see your "Actual Weekly Allowance" (shown below) that you will be adjusting further down in the sheet.

Below that you see the basic calculations from the book that help figure out your maximum allowance. This is your starting point. Remember that this assumes you have all of your income available right now and you want to be broke on the last day. Just below this is where the spreadsheet helps you figure out what you can *actually* spend.

The “**Actual Weekly Allowance**” (shown below) is the only space in the whole tab where you need to type something in. Everything else is the spreadsheet doing calculations and helping you out.

Your job is to change the number until: 1) you have 0 days where your account will go negative (this means your cash flow works) and 2) you have a positive number in the “**Don’t go broke**” section. That’s really all you need to do. We’ll go into more detail below, but that is the basic idea.

Make the CASH FLOW work

Using the max allowance as a starting point, adjust the actual allowance below until you don't have negative days.

*This is where the spreadsheet does the hard work for you. It is calculating your daily personal cash flow for the next 104 weeks!

Actual Weekly Allowance \$300.00	Days your account will go negative 0	Your lowest bank balance \$10.00
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Don't go broke

You are **over/under** spending by: **\$4.65** per week *Spreadsheet linear regression magic.

A little underspending is great. Make sure this isn't negative!

Even if your cash flow works, you don't want to be completely broke at the end. The spreadsheet does some magic to make sure your actual weekly allowance is sustainable.

More details on the cash flow

To help figure out your cash flow, there are two numbers to help you: Days your account will go negative, and Your lowest bank balance. The spreadsheet isn't really connected to your bank account. It is just combining everything from your income and expenses to show your whole financial situation. You can see a chart of this on the next tab (“**Cash Flow Chart**”) and the daily details on the last tab (“**Adjust Cash Flow**”). The spreadsheet is calculating day by day what your financial situation will look like. It is looking at income and expenses and the timing of it all so you can see what is going to happen in the future. It is pretty amazing.

One thing to remember is that the spreadsheet is conservative when calculating your future. This means that it assumes you spend your whole weekly allowance on the first day of the week. If you have any fixed expenses in the weekly section, it assumes that you spend all of those on the first day of the week too. In reality, you don't usually spend that whole amount on the first day. You might pull it out of the bank in cash if you want to be a cash only kind of person, but the money isn't usually all spent that fast.

What this means is that you don't technically need to adjust your weekly allowance until you have 0 negative days. If you only have a few, go to the “**Adjust Cash Flow**” tab and see when they happen.

Fixed Expenses					Income	Allowance	Adjustment	Bank Balance
Date	Month	Year	One-time	Other				
4/3/2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (300.00)		\$ (100.00)
4/4/2023	\$ -	\$ -	\$ -	\$ -	\$ 1,750.00	\$ -		\$ 1,650.00

In a case like this, it shows that your account will go negative on 4/3. It will go negative because your full allowance is assumed to be spent on 4/3, but you don't get paid until 4/4. In real life, this probably isn't a concern. You would have to spend over \$200 of your weekly allowance on the very first day in order to make your financial situation go negative. That probably isn't going to happen. This is an example of the spreadsheet being conservative with its predictions, but also allowing you to determine if it is really a worry or not.

You might be OK with a few negative days if you use this tab and your own judgement to see that it isn't really a concern. If you don't want to look into the details like this, just set your weekly allowance to a point where you never go negative.

Don't go broke details

The spreadsheet does a linear regression on your cash flow (it's OK if you don't know what that means) to tell you if your weekly allowance is sustainable. Can you keep spending that much even after the budget period ends? You typed in an "end date" for your budget earlier, but you still need to live after that point.

We noted earlier that the budget on the spreadsheet starts on April 3, 2023 and ends on March 31, 2025. If you have a mortgage payment due on April 1, 2025 you want to be able to pay that even though it is after the "end" of the budget. We also realized that if you start with a big bank balance like \$5,000, you could spend \$10 a week more than you earn and not even realize it for several years. Your extra money is hiding your overspending.

The very idea of not spending more than you earn implies a time period. The correct answer can change depending on the dates you use. And as you can see from the "Cash Flow Chart" tab, your money goes up and down a lot. It can be difficult to tell if you are slowly spending more than you earn. So this calculation removes that difficulty and gives you an exact number. You can immediately tell how much you are over or under spending per week.

Don't go broke

You are **over/under** spending by: \$4.65 per week

In the example on the spreadsheet, this person is underspending by exactly \$4.65 each week. This means they *could* add \$4.65 per week to their allowance or to another place in their budget. They can't *actually* do this because there is a cash flow limitation. They have some big expenses and the \$1,500 in their bank account right now isn't big enough to allow for the extra \$4.65 without their account going negative in the future.

You have to use this number along with the cash flow information in order to see what your personal financial situation can actually handle. It is completely fine if you are underspending each week. It just means that at some point in the future, as your bank balance slowly increases, you will be able to add that amount to your budget.

Happy Money Calculated!

Once you have an actual weekly allowance where: 1) your cash flow works (either no negative days, or you understand those negative days won't happen in real life) and 2) you aren't overspending, then you are done! You have figured it out! You have taken the leap from a **theoretical** maximum weekly allowance, to an **actual** weekly allowance that will work for your own personal situation. It is now worthy of being called your Happy Money. That's a big deal! Congratulate yourself!

5) Cash Flow Chart

This is a cool visual to see the flow of your money. There's nothing to do or enter on this tab, but it is pretty amazing to see your personal financial situation all charted out. All of the ups and downs. To see exactly what you will have 7 months from now, a year, even 2 years. Down to the day. It is so beautiful and informative that you may want to print it out and frame it.

6) Adjust Cash Flow

Ok. Last tab, for those who really want to fine-tune this thing. We showed this one a little before, but let's explain it better and show why you would want to use it.

Date	Fixed Expenses				Income	Allowance	Adjustment	Bank Balance	Chart
	Month	Year	One-time	Other					
4/3/2023	\$ -	\$ -	\$ (190.00)	\$ -	\$ -	\$ (300.00)	\$ 1,010.00		
4/4/2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010.00		
4/5/2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010.00		
4/6/2023	\$ (250.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760.00		
4/7/2023	\$ -	\$ -	\$ -	\$ (175.00)	\$ 1,750.00	\$ -	\$ 2,335.00		

It shows the days of your budget going down the left side. It shows your fixed expenses from the "3) Expenses" tab (by week, month, year, or one-time) on the day that they happen. It shows your income on that day that it will happen. It shows your actual weekly allowance from the "4) Happy Money" tab. It shows your "Bank Balance" for each day, which starts with the amount you entered at the top of the "2) Income" tab. It has a sideways chart that matches the one on the "Cash Flow Chart" tab.

On 4/3/2023 you can see \$190 being paid out from the One-Time column. If you go back to the "3) Expenses" tab, you will see that this person plans to pay off their credit card for \$190 on 4/3/2023. The Bank Balance column goes down \$190 on that day.

On 4/6/2023 you can see \$250 being paid out from the Month column. If you go back to the "3) Expenses" tab, you will see that this person has a monthly expense on the 6th of every month for a car payment. The Bank Balance column goes down \$250 that day to show that \$760 is left.

This level of detail can be helpful when you are trying to figure out your actual weekly allowance in the "4) Happy Money" tab. We added the "Adjust Cash Flow" tab because there is also another situation where it can be helpful: making adjustments at the beginning of the budget.

We will use the same example from the spreadsheet at the top of this tab. We will just explain it more here.

Date	Week	Month	Year	One-time	Income	Allowance	Adjustment	Bank Balance
4/10/2018	\$ -	\$ (100.00)	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ 1,625.00

The idea of this “Adjustment” column is that if you put in a positive amount, it will get added to your hypothetical “Bank Balance”. If you put in a negative amount, it will get removed from the balance.

We noticed as we used this spreadsheet that things can be a little messy in those first few days of the budget. Real life and the projections don’t always match up.

The budget says, you told me that you pay \$100 on the 10th of every month. The budget starts on the 10th. Therefore, you must plan on paying \$100 that very first day.

But you know that when you entered your bank balance in the spreadsheet, the \$100 had already hit your account. It already happened.

This is where you can make the adjustment so that it isn’t projected to hit your account twice on that first day (once in real life already and again in the spreadsheet). In the “Adjustment” column type in a positive \$100. This adds \$100 to your “Bank Balance” column and effectively removes that expense from the projections while leaving it in the spreadsheet for all future months.

Here is another example.

Let’s say I’m creating my budget on a Tuesday, but I want to start my budget week on a Monday. So I want my budget to start yesterday. Add to that, I already spent some money yesterday that I want to come out of my weekly allowance (I spent \$50). That \$50 already came out of my real bank account, but the spreadsheet is going to show the full \$300 for my allowance happening yesterday.

Date	Month	Year	One-time	Other	Income	Allowance	Adjustment	Bank Balance						
4/3/2023	\$	-	\$	-	\$	(190.00)	\$	-	\$	(300.00)	\$	50.00	\$	1,060.00
4/4/2023	\$	-	\$	-	\$	-	\$	-	\$	-			\$	1,060.00

If you leave the spreadsheet like it is, you will get hit for that \$50 twice (once in your actual bank account, and once in the spreadsheet projection for 4/3/2023). You really only want an allowance of \$250 for the current week, but \$300 for all future weeks. So enter a positive \$50 in the “Adjustment” column. This effectively changes your allowance for the current week and leaves all future weeks unchanged.

This is the most confusing feature of this spreadsheet so don’t worry if you don’t get it right away. You might not need it at all. But if you think you do, think through the problem one step at a time. What is the spreadsheet saying is going to happen? What is actually going to happen? What do I need to put in the “Adjustment” column to add money (reverse an expense the spreadsheet thinks is going to happen) or remove money (reverse income or make something more expensive, which isn’t usually the case) so that the spreadsheet more closely matches real life? It is OK to try out numbers and make mistakes until you get it right.

That’s all of the tabs!

We have updated and improved this spreadsheet for many years in order to make it as simple to use as possible, while also being flexible enough to handle real life. The goal of the spreadsheet is to help you figure out that all elusive actual weekly allowance so that it can truly be called your Happy Money. Now that you have that, you can start living your budget knowing that everything is going to work out. The math works. This will actually happen if you stick to your weekly allowance, which is only one number that can be used for anything you want. It is a lot easier than trying to use all of the categories and buckets that most people suggest. Good luck. We hope this improves your life as much as it has ours.