

Calculate your cash cushion

Numbers are illustrative

Current assets	Amount
Personal checking	10000
Business checking	10000
Money market account	50000
Savings account	50000
Accounts receivable	10000
Other	10000
Total current assets	140000

Current liabilities	
Credit card balances	10000
Accounts payable	10000
Taxes due	10000
Other short term liabilities	10000
Total current liabilities	40000

Net current assets	100000
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Monthly cash burn	
Mortgage or rent	2000
Tuition	2000
Car / transportation	500
Utilities	500
Phone / telecommunications	500
Food	500
Clothing	500
Healthcare	500
Entertainment	500
Other monthly expenses	500
Total monthly cash burn	8000

Months of cash	
Net current assets	100000
Divided by monthly cash burn	8000
Months of cash on hand	12.5