

The Long-Term Budget

A long-term budget works very much like the monthly budget. Do “The Monthly Budget” exercise before you do this one.

1. Use the Yearly/Term-Long Budget Worksheet below to calculate your spending over the course of the next year or school term.
2. Enter the same income and expense categories that you used in “The monthly budget” exercise. Under the column “Draft Budget,” predict the totals for each category.
3. List any unusual income or expense items you can predict, such as lump-sum grants (money in) or tuition payments (money out).
4. Total the “Money In” and “Money Out” items, subtract the total expenses from the total income, and view the result in your “Money Left.”
5. Don’t panic. It is common to have more money going out than coming in the first time you make a long-range projection. The value of this exercise may be in discovering that you are spending more than you have. If that is the case, try it again using the “Final Budget” column. Rework your budget until “Money Out” is less than “Money In.” Be realistic and don’t cut necessary expenses. When you have figured out a workable plan, enter your revised projections in the “Final Budget” column.

How to use the Budget Worksheet on your Computer: The Budget Worksheet below is an Excel document which will automatically tabulate your Total Cash Income and Total Cash Expenses, as well as your Money Left total. To use this document, double click on the table below and then enter in your values. When entering your Money In and Money Out amounts, you will only need to include the numerical values; the \$ symbol will automatically appear. To add additional rows to your “Money In” or “Money Out” sections, highlight one of the rows where you wish to add additional rows by clicking on the number at the left-hand side of the table. Go to “Insert” on the tool bar above and click “Rows.” A new row will appear above the highlighted row.

