

Section 1-Unit 2 BUDGETING: Long Term

DIRECTIONS

Organize Donna's budget so it makes sense. If she cannot afford everything, decide what should be moved to *Donna's Later List*. If she has extra money, decide what should be done with it. When Donna's budget is finished, make a budget for yourself. If you have an income, make your budget realistic. If you do not have an income, use minimum wage times 40 hours per week. The computer is the suggested mode for working with Donna's budgeting detail. However, if a computer with a spreadsheet program is not available to you, work both Donna's and your budget on paper.

DONNA'S BUDGETING DETAILS

Profile: Donna is a secretary. She is a single mom with one child (age 8)

Suggested Mode: computer

Paycheck: every two weeks \$720.00

Monthly Expenses:

rent	400.00
utility fee	120.00
average monthly phone bill	55.00

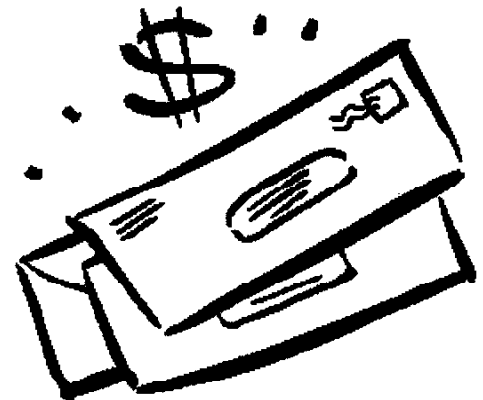
Weekly Expenses:

personal spending money	25.00
child's lunch ticket	7.50
day care	65.00
groceries	50.00
bus fare	20.00

Optional Expenses:

clothing (would like to spend as much as possible)	\$ _____
savings (would like to save per month)	50.00
child's entertainment	15.00
eating out (would like to at least once a month)	\$ _____
cable tv (would like to have--must research cost)	\$ _____
Internet (would like to have--must research cost)	\$ _____
Treats (would like to spend each week)	10.00

DONNA'S LATER LIST





BUDGETING: Long Term

OVERVIEW

Long term budgeting is a matter of planning how one's entire income will be used. Like day-to-day budgeting, long term budgeting can be:

- kept in a person's head
- written on a piece of paper
- typed into a computer

However, unlike day-to-day budgeting, it is very difficult to do a good job of long term budgeting in one's head. Therefore, either paper or a computer should be used.

Long term budgeting is important because people who budget:

- usually have enough money when important bills are due.
- are more likely to see a way to buy the extra things that they want but do not really need. People tend to be happier if they can buy some things simply because they want them.
- feel in control of their money.

Long term budgeting needs to be reviewed each time there is a major change in either income or expenses.