Explanatory Document
Forecast Grid for Couples

Use

This grid allows you to establish your budget forecast based on monthly averages calculated according to all your income and expenses for the year. It is suitable for most people.

The forecast can also be used to determine whether the budget is in surplus or deficit. If the budget is in deficit, the use of a *budget monitoring grid* is recommended for close monthly monitoring.

How it works

This budget grid allows you to measure your lifestyle and understand where your money is going.

Expenses are divided into obligations and current expenses (where there may be some room for manoeuvre).

Tips on how to fill in the grid correctly so that it is as accurate as possible:

- Be as realistic as possible.
- Don't overestimate income.
- Don't underestimate expenses.
- Don't forget any budget items, even the occasional ones.
- Assess as best you can and confirm the estimate by monitoring it.

Step 1

Determine who is ***Person 1*** and who is ***Person 2***. Also determine whether a 3rd column is required, for example for what is held in common or for a flatmate or adult child contributing to the budget.

Step 2

Enter all the monthly amounts for income and expenses in the appropriate columns.

Calculate the amounts per month using the table.

Week	2 Weeks	Month	3 Months	Year
$ amount		= $ X 52 ÷ 12		
	$ amount	= $ X 26 ÷ 12		
		= $ ÷ 3	$ amount	
		= $ ÷ 12		$ amount

How to use the table to calculate the amounts:

- Choose the line according to the starting amount (**$ amount**).
- Calculate using the formula in the ***Month*** column.
- Enter the amount in the grid.
- Repeat for each missing amount.

Step 3

Complete the calculations in the grid:

- Add up the income, obligations and current expenses per person.
- Calculate the ***Total Obligations and Current Expenses*** per person.
- Subtract the ***Total Obligations and Current Expenses*** from the ***Total Income*** to obtain the amount of ***Income minus Total Expenses*** per person.
- Enter the ***Debt Payment*** amount for each person using the grid provided.
- Subtract the ***Debt Payments*** from the ***Income minus Total Expenses*** to obtain the ***Result*** for each person.
- Complete the ***Total per month*** column by adding up the amounts on each line.

Step 4

Examine the ***Result***, both individually (in the ***Person*** columns) and together (in the ***Total per month*** column).

- If it is positive, this confirms that your budget is well balanced and that you have room for manoeuvre. - Step 5 is optional
- If it is zero, your budget is tight and could be revised to give you more room to manoeuvre. - Step 5 is suggested
- If it is negative, this indicates that your budget is in deficit and that you need to take action to avoid a problematic debt situation. - Step 5 is recommended

Note: If the result of all the people together is positive or zero but one person has a negative result, that person must act to balance their budget, with or without the help of the other people.

Step 5

Keep track of your budget so you know where your money is going and can avoid defaulting on payments.

Use one of the *budget monitoring grids* provided for this purpose.

The *assets grid* could also be used to identify possible solutions to debt, such as selling an asset.

Redo your forecast if there is a major change in your situation!

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