

# Furnishings:

- Most people have a few very large financial expenses at certain times in their lives. They may want to send a child to college, buy a new house, replace a major appliance, or the like.
- For these types of expenses a long-term budget can be helpful.

# Long Term Budget:

- A plan for setting aside enough money to pay a large expense at some time in the future.

# Long-Term Budget for Furnishings

- We want to save enough money to pay cash when our major appliance wear out. The age of our present appliance is given. In order to determine when we will need to replace them we need to know the average lifetime and average price.

Item	Present Age	Expected Lifetime	Years to replacement	Expected Cost	To be set aside annually	Monthly Budget
Washing Machine	8	11		\$370		
Television Set	3	11		\$625		
Vacuum Cleaner	5	15		\$180		
Refrigerator	10	16		\$580		