

RETIREMENT EXPENSE WORKSHEET

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Many people underestimate their expenses. Use this worksheet as a tool to help you meet your retirement goals. It is always a good idea to track your expenses for a few months to make sure your estimates are aligned with your actual expenses.

Date Completed: _____



ONGOING EXPENSES

| Expense | Monthly | Annual |
|--|---------|--------|
| Household (Essential) | | |
| Mortgage/Rent | \$ | \$ |
| Property Taxes | \$ | \$ |
| Maintenance | \$ | \$ |
| Home/Renter's Insurance | \$ | \$ |
| Electricity | \$ | \$ |
| Oil/Gas | \$ | \$ |
| Water/Garbage/Sewer | \$ | \$ |
| Telephone/Cell Phone | \$ | \$ |
| Cable/Internet | \$ | \$ |
| Other: | \$ | \$ |
| Total | \$ | \$ |
| Automobile & Transportation (Essential) | | |
| Car Payment | \$ | \$ |
| Maintenance/Repairs | \$ | \$ |
| Gasoline | \$ | \$ |
| License/Registration | \$ | \$ |
| Insurance | \$ | \$ |
| Other: | \$ | \$ |
| Total | \$ | \$ |
| Living Expenses (Essential) | | |
| Food | \$ | \$ |
| Clothing | \$ | \$ |
| Beauty/Barber | \$ | \$ |
| Other: | \$ | \$ |
| Total | \$ | \$ |
| Family Care (Essential) | | |
| Parent/Child Care | \$ | \$ |
| Education | \$ | \$ |
| Clothing | \$ | \$ |
| Other: | \$ | \$ |
| Total | \$ | \$ |

| Expense | Monthly | Annual |
|-------------------------------------|---------|--------|
| Medical/Health (Essential) | | |
| Health Insurance | \$ | \$ |
| Life Insurance | \$ | \$ |
| Long-Term Care Insurance | \$ | \$ |
| Disability Insurance | \$ | \$ |
| Medical Expenses | \$ | \$ |
| Dental Expenses | \$ | \$ |
| Other: | \$ | \$ |
| Total | \$ | \$ |
| TOTAL ESSENTIAL | \$ | \$ |
| Taxes (Variable with Income) | | |
| Federal | \$ | \$ |
| State | \$ | \$ |
| Local | \$ | \$ |
| TOTAL TAXES | \$ | \$ |
| Discretionary | | |
| Entertainment | \$ | \$ |
| Dining Out | \$ | \$ |
| Hobbies | \$ | \$ |
| Publications | \$ | \$ |
| Education | \$ | \$ |
| Traveling/Vacations | \$ | \$ |
| Charitable Donations | \$ | \$ |
| Gifts | \$ | \$ |
| Professional/Social Dues | \$ | \$ |
| Gym Membership | \$ | \$ |
| Other: | \$ | \$ |
| Other: | \$ | \$ |
| TOTAL DISCRETIONARY | \$ | \$ |
| TOTAL EXPENSES | \$ | \$ |



ONE-TIME EXPENSES (E.G., WEDDING, COLLEGE TUITION)

| Expense | Amount |
|---------|--------|
| | \$ |
| | \$ |
| | \$ |

| Expense | Amount |
|---------|--------|
| | \$ |
| | \$ |
| | \$ |

Profiling Your Expenses

Before you can decide how to fund your retirement expenses, you need to know the types and sizes of these expenses. This information will help you determine your required retirement income. Some of your income will likely come from fixed sources (e.g., Social Security, pensions, annuities), but for most people, the majority of retirement income will come from portfolio withdrawals. Knowing how much retirement income you need will allow you and your financial professional to invest your portfolio for the highest probability of success in retirement.

Essential vs. Discretionary Expenses

Spending on such things as housing, utilities, food, clothing and basic healthcare is typically considered essential. In other words, these are expenses that you must pay. Spending on things like travel, entertainment and gifts is typically considered discretionary and can be forgone or reduced if necessary.

One-Time Expenses

While the majority of your required retirement income will be for ongoing expenses, many retirees will face one-time expenses, such as a child's wedding or grandchild's college tuition. If you consider and account for these liquidity needs up front, it is less likely that you will need to adjust your ongoing expenses in order to pay for a one-time expense.

Questions to Consider

It is important to itemize and categorize your anticipated expenses. For example, you may have ongoing expenses of a specific amount, but may also have a fixed expense that lasts only a certain number of years (such as a mortgage). Ask yourself the following questions as you complete the worksheet to help you develop a more complete and accurate set of expenses.

- ▶ How many years are remaining on your mortgage?
- ▶ Do you plan on moving or downsizing your primary residence?
- ▶ How will your health insurance premiums change once you retire?
- ▶ Do you have all the insurance you need or should you budget for additional premiums (e.g., long-term care insurance)?
- ▶ Will you spend more on travel or hobbies once you have more time to devote to them?

Next Steps

As important as it is to profile your retirement expenses before retirement, it is equally, if not more important to monitor your expenses during retirement. Your expenses will likely change over time, and your retirement income plan may need to be adjusted to reflect these changes.

By meeting regularly with your financial professional during your retirement years, you can help ensure that your investment plan continues to meet your needs as they evolve over your lifetime.

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