

Budgeting to Save for Retirement

Monthly Expenses Worksheet

BUDGETING FOR RETIREMENT

Understanding where your money is going can help you and your financial advisor create a plan to reach your retirement goals.

Consider Existing Expenses

Start by calculating your monthly take home pay. From there, consider your spending habits and then ask the following questions:

- What expenses currently coming out of your paycheck will you have to cover in retirement (health insurance, life insurance, etc.)?
- What additional expenses do you want to budget for in retirement? Think about things such as travel, medical expenses, and grandchildren.
- Have you included larger one-time items that may need to be replaced?
- Will any of your expenses, such as a mortgage or 401(k) contributions, decrease in retirement?
- What do you estimate your taxes to be when you are retired?

Commonly Forgotten Expenses

It will be hard to think of all the expenses you will have in retirement, but it is important to try to cover all of them.

The top commonly missed items are:



Real Estate
Taxes



Insurance
Premiums



Medical
Expenses



Large, One-Time
Expenses

Types of Expenses Recommended Breakdown

70%

Essential
Spending



30%

Discretionary
Spending

Essential

These are the things for which you must pay. Examples include housing, utilities, food, clothing, and healthcare.

Discretionary

This type of expense covers items that are “nice-to-haves” and can be eliminated or reduced if necessary. Examples include travel, entertainment, gifts, and luxury items.

One-Time Purchases

One-time expenses are things like children’s weddings, grandchildren’s college tuition, home improvement projects, and new automobiles. These are very important to consider when budgeting for retirement, as they can have a huge impact on your retirement lifestyle if not taken into account in the planning stage.

MONTHLY LIVING EXPENSE WORKSHEET

Use this worksheet to calculate your monthly living expenses. Once complete, work with your financial advisor to create a plan for spending in retirement.

Essential Expenses



HOME/UTILITIES

Mortgages	\$
Property/Real Estate Taxes	\$
Home Owner's Insurance	\$
Principal + Interest Payments	\$
Rent	\$
Home Security	\$
Home Maintenance, Repair, and Improvements	\$
Utilities (e.g., water, electric, gas)	\$
Connectivity (e.g., phone, internet)	\$
Household Supplies (e.g., cleaning, maintenance)	\$
Other	\$
Home/Utilities Monthly Subtotal	\$



FAMILY CARE

Food/Groceries	\$
Clothing	\$
Education	\$
Health Insurance	\$
Other	\$
Family Care Monthly Subtotal	\$



TRANSPORTATION

Auto Payments (e.g., premiums or leases)	\$
Auto Insurance	\$
Auto Maintenance (e.g., oil changes, repairs)	\$
License/Registration	\$
Other	\$
Transportation Monthly Subtotal	\$



OTHER ESSENTIALS

(e.g. credit card payments, personal debts)

	\$
	\$
	\$
	\$
Other Essentials Monthly Subtotal	\$

Discretionary Expenses



HOBBIES

Recreation (e.g., gym membership, golf)	\$
Grandchildren Activities	\$
Subscriptions (e.g., cable, magazines, newspapers, streaming services)	\$
Other	\$
Hobbies Monthly Subtotal	\$



ENTERTAINMENT

Tickets (e.g., music, movies, events)	\$
Dining Out	\$
Social Club Dues	\$
Other	\$
Entertainment Monthly Subtotal	\$



GIFTING

Holidays and Birthdays	\$
Charity	\$
Other	\$
Gifting Monthly Subtotal	\$



TRAVEL

Airline Tickets	\$
Hotels	\$
Spending Money	\$
Other	\$
Travel Monthly Subtotal	\$



OTHER DISCRETIONARY
(e.g. pet expenses, professional services)

	\$
	\$
	\$
	\$
Other Discretionary Monthly Subtotal	\$

Putting It All Together

Total Monthly:

Essential Expenses

\$

Discretionary Expenses

\$

Total Monthly Expenses

\$

Once you've listed all your potential expenses, consider whether you are comfortable with your current savings goals and projected income in retirement.

Have questions? Contact your financial advisor to help.

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