

Estimating your retirement living expenses

To determine how much income you'll need to retire, first look at this list of living expenses. Once you've reviewed it, consider how much money for each item is essential and how much is discretionary, then enter that amount into the appropriate column. This exercise will help you determine what kind of flexibility you have in your budget, allowing for the resources you have.

Because your needs may change in your early and later retirement, we've included places for you to record this.

	Early retirement		Later retirement	
	Essential	Discretionary	Essential	Discretionary
<i>Monthly expenses</i>				
Housing				
Mortgage, rent, fees	_____	_____	_____	_____
Property tax, insurance	_____	_____	_____	_____
Utilities (gas, electric, telephone, internet, cable, water, etc.)	_____	_____	_____	_____
Home improvements	_____	_____	_____	_____
Maintenance/cleaning/landscaping	_____	_____	_____	_____
Food				
At home	_____	_____	_____	_____
Dining out	_____	_____	_____	_____
Transportation				
Vehicle purchases or payments	_____	_____	_____	_____
Auto insurance, taxes	_____	_____	_____	_____
Fuel, maintenance	_____	_____	_____	_____
Public transportation	_____	_____	_____	_____
Health care				
Insurance premiums, Medicare copays	_____	_____	_____	_____
Out-of-pocket expenses	_____	_____	_____	_____
Prescriptions, medical supplies	_____	_____	_____	_____
Other insurance				
Life, other	_____	_____	_____	_____
Long-term care	_____	_____	_____	_____
Personal care				
Clothing	_____	_____	_____	_____
Products, services	_____	_____	_____	_____



<i>Monthly expenses</i>	Early retirement		Later retirement	
	<i>Essential</i>	<i>Discretionary</i>	<i>Essential</i>	<i>Discretionary</i>
Other				
Entertainment, hobbies	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Family care, education	_____	_____	_____	_____
Income taxes	_____	_____	_____	_____
Charitable contributions	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Subtotals	_____	_____	_____	_____
Total monthly expenses for early and later years				
(adding essential and discretionary column for each) _____				