

Retirement Planning Budget Worksheet
“The Insider’s Guide to Retirement and Insurance Planning”
<http://www.retirementandinsurance.com>

I use this pre-retirement budget worksheet to help my clients get a handle on what their current monthly cash outflows are like. There are many online budget calculators, but I find that grabbing a pencil and paper, along with bank statements helps to make the process accurate and tangible. You are more than welcome to use this sheet to collect the information and then input it into the software program of your choice.

If your household is like mine, we pay a bunch of our bills online through our home checking account. Then we write checks or have some recurring expenses charged to our credit card. First of all, get a grip on which accounts you are using to pay your expenses, and then carefully track them over a 12 month period. Many recurring expenses are the same every month, others are erratic. For variable expenses (like gasoline or home electric) take an annual total and divide by 12.

With these figures in place, you will see how much money you are currently spending and how much you are likely to be spending in retirement. Additionally, knowing your expenses will help you to calculate how much life or disability insurance you should carry. At the very least, this type of exercise can show you where you can economize and reallocate your spending.

How to use this worksheet:

1. Write in the Year at the top of the Worksheet
2. Collect the information from bank, charge card and online statements. Look back as far as one year to make sure that you get accurate amounts for each category. Note when payments are monthly quarterly, semiannual or annual;
3. Divide the total amount for each category by 12 to get an approximate monthly outflow;
4. Plug in an approximate annual increase. The average rate of inflation is 3% per year, but medical inflation can be as much as 10%; state and local taxes often see double-digit increases; home and auto insurance premiums can rise even faster;
5. Use Supplemental Worksheets for each Category that has a large number of individual items, such as “Subscriptions,” “Entertainment” or “Repairs and Maintenance;”
6. Total the “Annual Total” and “Divided by 12” columns;
7. Prepare a new worksheet each year leading up to retirement and one for the first few years after retirement.

Retirement Budget Worksheet				
Category	Frequency	Annual Total	Divided by 12	Rate of Increase
Household Expenses				
- Home equity loans				
- Mortgage payment				
- Homeowners insurance				
- Taxes				
- Gas				
- Electric				
- Water/sewer				
- Telecom/cable				
- Repairs & Maint'nance				
- Gardening				
Food				
- Groceries				
- Dining out				
- Meals at work				
Insurance Premiums				
- Life insurance				
- Disability insurance				
- Long-term care				
- Umbrella policy				
- Medicare premiums				
- Medigap premiums				
Automobile				
- Car insurance				
- Maintenance				
- Loan/lease				
- Gasoline				
Healthcare Costs				
- Insurance premium				
- Deductibles/copays				
- Prescription drugs				
- Dental				
- Flexible spending acct.				
Work Expenses				
- Commute				

- Memberships				
- Subscriptions				
Entertainment				
- Hobbies				
- Beauty/Barber				
- Clothing				
- Pets (food, vet, board)				
- Vacation/travel				
- Entertainment				
- Gym membership				
- Club membership				
Family Responsibilities				
- Alimony/Child Supp.				
- Tuition/College Fund				
- IRA/401k Contribut'ns				
- Gifts to Children				
- Charity				
- Contribut'ns to Trusts				
Debt Management				
- Credit Cards				
- Home Equity				
TOTALS				

Supplemental Budget Worksheet

Category	Frequency	Total Amount	Divided by 12	Rate of Increase
TOTAL				