

Creating a Retirement Budget

This playbook outlines the steps necessary to plan a realistic budget for retirement. It includes considerations for healthcare costs, leisure activities, and daily living expenses to ensure financial stability during retirement.

Step 1: **Assess Income**

Determine your expected retirement income from all sources, such as pensions, Social Security benefits, any part-time work, investment income, and any other sources.

Step 2: **Calculate Expenses**

Make a list of all expected monthly expenses during retirement. This should include housing, utilities, food, insurance, debts, and other recurring costs.

Step 3: **Estimate Healthcare**

Research and estimate potential healthcare costs, including medical insurance premiums, out-of-pocket expenses, long-term care insurance, and any expected ongoing medical treatments.

Step 4: **Budget for Leisure**

Decide on a reasonable amount for leisure activities such as travel, hobbies, dining out, and entertainment, ensuring you balance enjoyment with sustainability.

Step 5: Create Emergency Fund

Set aside funds for unexpected expenses to cover emergencies and avoid dipping into other budgeted funds.

Step 6: Adjust for Inflation

Incorporate an annual percentage increase in your budget to account for inflation, ensuring your budget maintains its purchasing power over time.

Step 7: Review & Adjust

Regularly review your retirement budget and adjust for changes in income, expenses, and personal circumstances to remain financially secure.

General Notes

Tax Implications

Consider the tax implications of your retirement income and incorporate any expected taxes into your budget planning.

Government Programs

Investigate eligibility for government programs or benefits that can supplement your retirement income or reduce expenses.

Financial Advisor

Consider consulting with a financial advisor for personalized advice especially if your financial situation is complex.

