

# RETIREMENT INCOME GAP FINDER



## Are You Facing an **Income Gap** in Retirement?

Not all retirement expenses are created equally. As you prepare for retirement, it's important to understand there are generally 2 kinds of retirement expenses.

**Essential expenses:** These are expenses you have to pay such as your mortgage and other related home expenses, food, cars, healthcare, etc.

**Discretionary expenses:** These are your "lifestyle" expenses such as entertainment, travel, and other leisure activities.

A strong retirement strategy is built on the foundation of having enough guaranteed income to meet your essential expenses. Of course all of us want to be able to live the lifestyle of our choice, but we know at the very least, if we meet our essential expenses, we won't be concerned about our retirement savings. **Identify your retirement income needs in 4 easy steps:**

- 1 **ESTIMATE YOUR EXPENSES IN RETIREMENT**
- 2 **CALCULATE YOUR RETIREMENT INCOME GAP**
- 3 **DETERMINE YOUR INCOME SOURCES**
- 4 **INVENTORY YOUR INVESTMENT PORTFOLIO**

Together we can use this Retirement Income Gap worksheet to create a customized income strategy to help meet your individual needs and ensure your income will last for your entire life.



# RETIREMENT INCOME GAP FINDER

## 1 ESTIMATE your expenses in retirement

Essential Expenses	Annual Cost
Housing e.g., mortgage payments, rent, insurance, property tax	
Utilities e.g., gas, water, electricity, telephone, cable	
Food/Groceries/Meals	
Transportation e.g., car payments, gas, car insurance, maintenance	
Personal e.g., clothing, haircuts, dry cleaning, toiletries	
Healthcare e.g., medical insurance, vision/dental, prescriptions and other out-of-pocket expenses	
Life, Disability and Long-Term Care Insurance	
Other	
<b>Annual Essential Expenses</b>	

Lifestyle Expenses	Annual Cost
Entertainment e.g., movies, theatre, sporting events and restaurants	
Travel & Recreation e.g., hotel, airfare and RV/boat expenses	
Memberships e.g., golf, health club and yoga	
Gifts and Donations	
Other	
<b>Annual Lifestyle Expenses</b>	

Annual Essential Expenses	
Annual Lifestyle Expenses	
<b>Total Annual Expenses</b> (Essential + Lifestyle)	

Planning Tip: Don't overlook your spouse's assets and guaranteed income. Group all assets and income together, or complete separate worksheets for you and your spouse.

## 2 CALCULATE your retirement income gap

Guaranteed Sources of Retirement Income	Annual Income
Social Security	
Pensions	
Annuities*	
Other	
<b>Total Annual Guaranteed Income</b>	

Estimate the income you'll receive from Social Security, pensions, annuities and other guaranteed sources of retirement income.



\*e.g., guaranteed lifetime withdrawals or annuity payments  
Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing company

### 3 DETERMINE your income sources

First determine if you have enough guaranteed income to cover your ESSENTIAL expenses.

<b>Annual Guaranteed Income</b>	—	<b>Annual ESSENTIAL Expenses</b>	=	<b>ESSENTIAL Income Gap</b>

Next, examine your Total Annual Expenses (your ESSENTIAL expenses plus your LIFESTYLE expenses) to see if you're facing a TOTAL Income Gap.

<b>Annual Guaranteed Income</b>	—	<b>Total Annual Expenses (Essential + Lifestyle)</b>	=	<b>Total Income Gap</b>

If the result of either calculation above is negative, you're likely to face an ESSENTIAL Income Gap or a Total Income Gap. You may want to consider repositioning a portion of your existing assets to generate additional guaranteed income to help cover your Income Gap.

### 4 INVENTORY your investment portfolio

Existing Assets	Current Value
Stocks	
Bonds	
Mutual Funds	
Cash <small>e.g., CDs, money market, checking, savings account</small>	
IRAs <small>e.g., Traditional and Roth</small>	
Employer-Sponsored Retirement Plans <small>e.g., 401(k)s, 403(b)s, SEP IRAs</small>	
Annuities	
Other	
<b>Total Current Assets</b>	

Now that we've determined whether or not you have a retirement income gap, we can review your assets to see if it makes sense to create an additional income stream in retirement. Be sure to include all of your assets, no matter where they're invested.





**CONTACT US TODAY.**  
**(617) 380-3440**  
WE CAN WORK TOGETHER  
TO HELP SOLVE YOUR  
INCOME SHORTFALL.



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