

## Monthly Expense Worksheet

<b>SAVINGS*</b>	\$
<b>RENT / MORTGAGE</b>	\$
<b>UTILITIES:</b> <i>heat, water, electricity</i>	\$
<b>FOOD:</b> <i>groceries, dining out, snacks</i>	\$
<b>TRANSPORTATION:</b> <i>gas, oil, car payment, repairs, insurance</i>	\$
<b>TRANSPORTATION:</b> <i>bus or subway fare</i>	\$
<b>CREDIT CARD PAYMENTS</b>	\$
<b>INSURANCE:</b> <i>health, renter's, homeowner's</i>	\$
<b>LOAN REPAYMENTS</b>	\$
<b>TUITION</b>	\$
<b>CLOTHING</b>	\$
<b>CHILD CARE / AFTER-SCHOOL PROGRAMS</b>	\$
<b>UNIFORMS, BOOKS, SCHOOL SUPPLIES</b>	\$
<b>ENTERTAINMENT:</b> <i>movies, videos, cd's, books, travel</i>	\$
<b>HOLIDAY GIFTS</b>	\$
<b>OTHER EXPENSES</b>	\$
<b>TOTAL EXPENSES</b>	\$

**\* If you think of saving money as a regular monthly expense, you will be more likely to stick with a savings plan.**



\*\*The Ballpark Estimate Pre-Retirement Worksheet on reverse side is designed to provide a rough estimate of what you will need to save annually to fund a comfortable retirement. It provides an approximation of projected Social Security benefits and utilizes only one of many possible rates of return on your savings. Ballpark reflects today's dollars and does not account for inflation; therefore, you should recalculate your savings needs on a regular basis and as your salary and circumstances change. You won't want to stop with the Ballpark Estimate; it is only a first step in the retirement planning process. You will need to do further analysis, either yourself using a more detailed worksheet or computer software, or with the assistance of a financial professional. ©Copyright, ASEC/EBRI Education and Research Fund. All rights reserved.

# Ballpark Estimate Pre-Retirement Planning Worksheet\*\*

If you are married, you and your spouse should each fill out your own Ballpark Estimate worksheet taking your marital status into account when entering your Social Security benefit in number 2 below.

**1 How much annual income will you want in retirement?** \$ \_\_\_\_\_  
 (Figure at least 70% of your current annual gross income just to maintain your current standard of living. Really!)

**2 Subtract the income you expect to receive annually from:** - \$ \_\_\_\_\_ **A**

For married couples – the lower earning spouse should enter either their own benefit based on their income or 50% of the higher earning spouse's benefit, whichever is higher. For a more personalized estimate, enter the appropriate benefit figure from your Social Security Statement from the Social Security Administration (1-800-772-1213, www.ssa.gov).

**SOCIAL SECURITY:** - \$ \_\_\_\_\_

If you make

\$25,000 or less	Enter \$8,000
\$25,000 - \$40,000	Enter \$12,000
\$40,000 or more	Enter \$14,500

**TRADITIONAL EMPLOYER PENSION:** - \$ \_\_\_\_\_  
 A plan that pays a set dollar amount for life, where the dollar amount depends on salary and years of service (in today's dollars).

**PART-TIME INCOME:** - \$ \_\_\_\_\_

**OTHER:** - \$ \_\_\_\_\_

This is how much you need to make up for each retirement year: **TOTAL:** \$ \_\_\_\_\_ **B**

**How much money do you need each year?**



**This is how much money you will need to contribute from savings.**

Now you want a ballpark estimate of how much money you'll need in the bank the day you retire. So the accountants went to work and devised this simple formula. For the record, they figure you'll realize a constant real rate of return of 3% after inflation, you'll live to age 87, and you'll begin to receive income from Social Security at age 65. If you anticipate living longer than age 87 or earning less than a 3% real rate of return on your savings, you'll want to consider using a higher percentage of your current annual gross income as a goal on line 1.

**3 Determine the amount you'll need to save.** \$ \_\_\_\_\_  
 Multiply the amount you need to make up (**letter B**) by the factor below:

	<b>Your factor is:</b>	
Age you expect to retire:	55	21.0
	60	18.9
	65	16.4
	70	13.6

**4 Expect to retire before age 65?** + \$ \_\_\_\_\_  
 Multiply your Social Security benefit from **letter A** by the factor below:

	<b>Your factor is:</b>	
Age you expect to retire:	55	8.8
	60	4.7

**5 Multiply your savings to date by the factor below.** - \$ \_\_\_\_\_  
 (Include money accumulated in a 401(k), IRA, or similar retirement plan.)

	<b>Your factor is:</b>	
If you want to retire in:	10 years	1.3
	15 years	1.6
	20 years	1.8
	25 years	2.1
	30 years	2.4
	35 years	2.8
	40 years	3.3

**Don't panic.** Those same accountants devised another formula to show you how much to save each year in order to reach your goal amount. They factor in compounding. That's where your money not only makes interest, your interest starts making interest as well, creating a snowball effect.

Total additional savings needed at retirement: **TOTAL:** \$ \_\_\_\_\_ **C**

**This is how much money you will need to have saved when you retire.**



**6 Determine the ANNUAL amount you'll need to save.** \$ \_\_\_\_\_ /yr  
 Multiply the TOTAL amount (**letter C**) by the factor below:

	<b>Your factor is:</b>	
If you want to retire in:	10 years	.085
	15 years	.052
	20 years	.036
	25 years	.027
	30 years	.020
	35 years	.016
	40 years	.013

**This is how much you need to save each year to get there.**