



What Are My Retirement/Life Goals and What Will They Cost?

List your retirement/life goals. Be as specific as you can. If you have already prepared an action plan in the "Living Your Life" or "Maintaining Your Health" sections, the goals you identified there might be helpful as you list your goals here. Remember, this is just how you would answer the question right now. Your goals might change in the future.

Put down a ballpark figure to get a sense of what it will cost to live the retirement life you imagine. Use a monthly, annual, or one-time amount—whatever will help you get a sense of the overall picture. Don't labor over the costs here. In later chapters we will look more closely at what you can predict for your actual cost and income in retirement.

| Retirement/Life Goals | Priority (1 = High; 2 = Med.; 3 = Low) | Estimated Cost |
|--|---|----------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Accomplish _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Travel (number of trips, length, location) _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Doing these things that I love _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Spending time with _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |



WORKSHEET

My Current Income and Expenses

What are your sources of income (look at the past 12 months)? Paycheck stubs, income tax forms, and bank statements are a good source for the numbers. You may find a computer spreadsheet program, such as Microsoft Excel, helpful.

| Current Income | Monthly Amount | Annual Amount |
|-------------------------------------|----------------|---------------|
| Earned Income (gross amount) | | |
| Job 1 _____ | _____ | _____ |
| Job 2 _____ | _____ | _____ |
| Business _____ | _____ | _____ |
| Other Noninvestment Income | | |
| Social Security _____ | _____ | _____ |
| Pension _____ | _____ | _____ |
| Annuities _____ | _____ | _____ |
| Investments | | |
| Dividends _____ | _____ | _____ |
| Interest _____ | _____ | _____ |
| Capital gains _____ | _____ | _____ |
| Other | | |
| Gifts _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Current Income | _____ | _____ |



My Current Income and Expenses *continued*

Now identify how much money you spend in different categories. Your checkbook(s) or credit/debit card statements will contain much of the information you need for your estimates. If you are using a computerized bookkeeping program, you can use those figures.

When you are done, you will have many entries, including most of those listed below. You can break the entries down into a more detailed list. Approximate numbers will work well in this tabulation.

| Current Expenses | Monthly Amount | Annual Amount |
|-------------------------------|----------------|---------------|
| Essentials | | |
| Food _____ | _____ | _____ |
| Housing _____ | _____ | _____ |
| Utilities _____ | _____ | _____ |
| Taxes _____ | _____ | _____ |
| Clothing _____ | _____ | _____ |
| Transportation _____ | _____ | _____ |
| Insurance _____ | _____ | _____ |
| Maintenance/repairs _____ | _____ | _____ |
| Medical/dental _____ | _____ | _____ |
| Medication _____ | _____ | _____ |
| Other | | |
| Entertainment _____ | _____ | _____ |
| Vacations _____ | _____ | _____ |
| Education _____ | _____ | _____ |
| Gifts _____ | _____ | _____ |
| Charity _____ | _____ | _____ |
| Other _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Current Expenses | _____ | _____ |



My Current Income and Expenses *continued*

Net Cash Flow

The difference between your income and expenses is your *net cash flow*. Calculate your net cash flow below.

| Total Income | - | Total Expenses | = | Net Cash Flow |
|--------------|---|----------------|---|---------------|
| _____ | - | _____ | = | _____ |

If the net cash flow is a positive number, you are saving money. If it is negative, you are borrowing money or withdrawing money from savings.

When you calculate net cash flow, ask yourself if the result is reasonable. Does it match what you know is true about your finances? If not, you may have miscalculated your income or expenses. Go back over the numbers until your cash flow matches what you know to be true about your financial situation.

.....
 How am I doing?

.....
 Am I making and spending money in a way that supports what I say is important?

.....
 What changes do I want to make?



WORKSHEET

My Current Net Worth

Today's Date _____

| Assets | |
|-----------------------------------|--------|
| Type of Account or Property | Amount |
| Checking accounts _____ | _____ |
| Savings accounts _____ | _____ |
| 401(k) plan _____ | _____ |
| IRAs _____ | _____ |
| _____ | _____ |
| Roth IRAs _____ | _____ |
| Other investment accounts _____ | _____ |
| _____ | _____ |
| Life insurance (cash value) _____ | _____ |
| Home (market value) _____ | _____ |
| Automobile (current value) _____ | _____ |
| Personal property _____ | _____ |
| _____ | _____ |
| Other _____ | _____ |
| Total Assets | |
| | _____ |



My Current Net Worth *continued*

| Liabilities | | |
|----------------------|--------|--------------------------------|
| Type | Lender | Amount Owed |
| Home mortgage | _____ | _____ |
| Second mortgage | _____ | _____ |
| Credit card balances | _____ | _____ |
| Car loans | _____ | _____ |
| Education loans | _____ | _____ |
| Other _____ | _____ | _____ |
| _____ | _____ | _____ |
| | | Total Liabilities _____ |

Net Worth

Your net worth is the difference between your total assets and your total liabilities. It is a summary of your money resources at a moment in time. Calculate your net worth below.

| Total Assets | - | Total Liabilities | = | Net Worth |
|--------------|---|-------------------|---|-----------|
| _____ | - | _____ | = | _____ |



WORKSHEET

My Future Sources of Income

| Type | Source | Monthly Amount | Annual Amount | When Available? |
|-------------------|--------|----------------|---------------|-----------------|
| Social Security | _____ | _____ | _____ | _____ |
| Pension | _____ | _____ | _____ | _____ |
| Earned income | _____ | _____ | _____ | _____ |
| Investment income | _____ | _____ | _____ | _____ |
| Inheritance | _____ | _____ | _____ | _____ |
| Other _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |



What Nonfinancial Resources Do I Have?

Look at your retirement/life goals. List some of the ways you might be able to use skills, energy, and connections to achieve these goals with less money than you initially thought.



An Inventory of My Investments

In chapter 12, you listed your assets, including those in investment accounts. Next you want to understand exactly what type of investments you own in each of your accounts. We will help you do that in two steps. First, look at the type of investment (cash, stocks, bonds, other). Then analyze the asset classes of your stock investments and look at the style of the investments.

You can find information about your investments in your monthly account statements or, for mutual funds, in the prospectus. If you have access to a website associated with your account, you will also find the information there. Lipper (www.lipperweb.com), Morningstar (www.morningstar.com), and Value Line (www.valueline.com) provide independent sources of information.

While some investments will be easy to characterize, others will be more challenging. Characterizing mutual funds, for example, can be difficult because many mutual funds contain multiple asset classes. For example, a fund can consist of 10% cash, 70% U.S. large companies, and 20% foreign large companies.

Include savings in bank accounts, CDs, and money market accounts as well as mutual funds and brokerage accounts. But keep in mind that these investments are just one part of your overall financial picture, which may also include Social Security, pensions, and other sources of income.

Step 1 – How Much Do I Have in Each Type of Investment?

List the investments you have in each of your accounts separately. Here is an example. Start your inventory on page 200.

Example:

| Type of Investment | | | | | | |
|--|---------|----------|----------|-------|--------------|---------------|
| Account Name Ace Securities - Traditional IRA Account | | | | | | |
| Account Number 00023 | | | | | | |
| Investment | Cash | Stocks | Bonds | Other | Total Amount | Annual Return |
| Company A - 200 shares | | \$24,400 | | | \$24,400 | |
| A-I Mutual Fund | | \$6,354 | \$1,035 | | \$7,389 | 9.3% |
| AAA Bond Index Fund | | | \$16,585 | | \$16,585 | 5.4% |
| Cash | \$2,567 | | | | \$2,567 | 3.5% |
| | | | | | | |
| | | | | | | |
| Total | \$2,567 | \$30,754 | \$17,620 | | \$50,941 | |
| Percentage | 5% | 60% | 35% | | 100% | |



An Inventory of My Investments *continued*

Date of Inventory _____

| Type of Investment | | | | | | |
|--------------------|------|--------|-------|-------|--------------|---------------|
| Account Name | | | | | | |
| Account Number | | | | | | |
| Investment | Cash | Stocks | Bonds | Other | Total Amount | Annual Return |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

| Account Name | | | | | | |
|----------------|------|--------|-------|-------|--------------|---------------|
| Account Number | | | | | | |
| Investment | Cash | Stocks | Bonds | Other | Total Amount | Annual Return |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |



An Inventory of My Investments *continued*

| Account Name | | | | | | |
|----------------|------|--------|-------|-------|--------------|---------------|
| Account Number | | | | | | |
| Investment | Cash | Stocks | Bonds | Other | Total Amount | Annual Return |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

Add sheets for additional accounts, if needed (available at www.mappingyourretirement.org).

When you have listed all your investments, add the figures in the cash, stocks, bonds, and other columns and record the totals below.

| | Cash | Stocks | Bonds | Other | Total Amount | Annual Return |
|---|------|--------|-------|-------|--------------|---------------|
| Total | | | | | | |
| <i>Percentage of total (Amount divided by total of all investments)</i> | | | | | | |

Next let's look at the diversification within your stock investments.



An Inventory of My Investments *continued*

Step 2 – How Are Your Stocks Diversified by Asset Class and Style?

In this part of the worksheet, list stock investments only (use the list you created in the preceding section to get started). There are many ways to classify stock investments. This worksheet concentrates on asset class by size and location (U.S. large and small companies and foreign large and small companies) and the style of investment (growth, blend, or value).

Date of Inventory _____

| Diversification by Asset Class and Style | | | | | | | | | | |
|--|-------------|---------------|------------|---------------|-------|-------|--------------------|-------|-------|-------|
| Account Name | | | | | | | | | | |
| Account Number | | | | | | | | | | |
| Stock Investment | Asset Class | | | | | | Type of Investment | | | |
| | U.S. Large | Foreign Large | U.S. Small | Foreign Small | Other | Total | Growth | Blend | Value | Total |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total | | | | | | | | | | |

| Account Name | | | | | | | | | | |
|------------------|-------------|---------------|------------|---------------|-------|-------|--------------------|-------|-------|-------|
| Account Number | | | | | | | | | | |
| Stock Investment | Asset Class | | | | | | Type of Investment | | | |
| | U.S. Large | Foreign Large | U.S. Small | Foreign Small | Other | Total | Growth | Blend | Value | Total |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total | | | | | | | | | | |



An Inventory of My Investments *continued*

| Account Name | | | | | | | | | | |
|------------------|-------------|---------------|------------|---------------|-------|-------|--------------------|-------|-------|-------|
| Account Number | | | | | | | | | | |
| | Asset Class | | | | | | Type of Investment | | | |
| Stock Investment | U.S. Large | Foreign Large | U.S. Small | Foreign Small | Other | Total | Growth | Blend | Value | Total |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total | | | | | | | | | | |

Add sheets for additional investment accounts, if needed (available at www.mappingyourretirement.org). When you have listed all your investments, add up the columns and record them below

| | Asset Class | | | | | | Type of Investment | | | |
|---|-------------|---------------|------------|---------------|-------|-------|--------------------|-------|-------|-------|
| | U.S. Large | Foreign Large | U.S. Small | Foreign Small | Other | Total | Growth | Blend | Value | Total |
| Total | | | | | | | | | | |
| <i>Percentage of total stocks (total divided by total of all stock investments)</i> | | | | | | | | | | |

This inventory shows you how your investments are currently diversified. In the next chapter you will have a chance to consider how you might want to change your diversification plan to better meet your goals.



WORKSHEET

My Portfolio Diversification Plan

In chapter 13 you made a list of your investments. Now it's time to decide what you think is the ideal diversification plan for you.

First, consider what you'll need for your day-to-day living:

Cash-on-hand requirements (see page 211)

| | Actual | Desired | Difference |
|------------------|--------|---------|------------|
| Checking/savings | | | |
| Emergency funds | | | |

Next, look at your current investment portfolio:

Percentage of stock in current portfolio _____ (see page 201)

Desired type of investment portfolio (see page 209)

| | Very Conservative | Conservative | Balanced Growth | Growth | Aggressive |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Stock | Up to 30% | 55% | 70% | 85% | 95% |
| Nonstock investments | At least 70% | 45% | 30% | 15% | 5% |
| U.S. large | 90% | 65% | 54% | 42% | 36% |
| Foreign large | 3% | 14% | 21% | 26% | 28% |
| U.S. small | 7% | 19% | 21% | 27% | 30% |
| Foreign small | 0% | 2% | 4% | 5% | 6% |
| Growth | 35–50% | 35–50% | 35–50% | 40–55% | 40–60% |
| Value | 50–65% | 50–65% | 50–65% | 45–60% | 40–60% |

Management approach (see page 213)

| | Actual | Desired | Difference |
|-----------------------------|--------|---------|------------|
| Percentage actively managed | | | |



My Portfolio Diversification Plan *continued*

Use your numbers from the worksheet in chapter 13 to make a plan for diversifying your investments to match your diversification plan:

| Type of Investment | Current Dollars | Current % | Desired % | % Difference | Dollar Difference |
|--------------------|-----------------|-----------|-----------|--------------|-------------------|
| Cash | | | | | |
| Stocks | | | | | |
| Bonds | | | | | |
| Other | | | | | |
| New contribution | | | | | |
| Total | | 100% | | | |

| Stock Asset Class | Current Dollars | Current % | Desired % | % Difference | Dollar Difference |
|-------------------|-----------------|-----------|-----------|--------------|-------------------|
| U.S. large | | | | | |
| Foreign large | | | | | |
| U.S. small | | | | | |
| Foreign small | | | | | |
| Other | | | | | |
| New contribution | | | | | |
| Total | | 100% | | | |

| Stock Investment Style | Current Dollars | Current % | Desired % | % Difference | Dollar Difference |
|------------------------|-----------------|-----------|-----------|--------------|-------------------|
| Growth | | | | | |
| Blend | | | | | |
| Value | | | | | |
| New contribution | | | | | |
| Total | | 100% | | | |

Calculate the current percentages by dividing the current money for each asset class by the current money total. You can calculate the money differences by multiplying the percentage difference for each asset class by the current money total. Use the information on pages 218 to 220 to help you make a plan for rebalancing your portfolio.



My Contribution Schedule

Record how much you plan to contribute this year in each of your accounts.



WORKSHEET

Rebalancing My Portfolio

Use information from the "My Portfolio Diversification Plan" worksheet on page 216 to determine the changes you need to make to diversify your portfolio. Use the worksheet below to make your plan.

| Change | Amount | Investment | Date Complete |
|--|----------|--|---------------|
| <i>Example:</i> _____ Buy _____ Sell <input checked="" type="checkbox"/> Transfer | \$24,000 | From: Bank X - Money Market Account To: AAA Bond Fund | 4/30 |
| _____ Buy _____ Sell _____ Transfer | | From: To: | |
| _____ Buy _____ Sell _____ Transfer | | From: To: | |
| _____ Buy _____ Sell _____ Transfer | | From: To: | |
| _____ Buy _____ Sell _____ Transfer | | From: To: | |
| _____ Buy _____ Sell _____ Transfer | | From: To: | |



What Financial Advisors Do I Need?

You may have more than one planner or advisor for different aspects of your financial life. For example, you might have an accountant, a financial planner, and an estate-planning attorney. You will want to make sure that you and your advisors are addressing your complete financial picture. This checklist can help you determine whether you're getting what you need—or if your advisors are focusing on the same things, and it is time to eliminate one.

Put an "X" next to each role to indicate who is addressing that aspect of your financial life.

| Role | Advisor: | You | Advisor 1 | Advisor 2 | Advisor 3 |
|--|----------|-----|-----------|-----------|-----------|
| Goals, values | | | | | |
| Help determine | | | | | |
| Help accomplish | | | | | |
| Investment income management | | | | | |
| Review cash flow | | | | | |
| Organize current investments | | | | | |
| Help diversify investments | | | | | |
| Review investments _____ times per year | | | | | |
| Rebalance investments _____ times per year | | | | | |
| Reduce taxes on investment income | | | | | |
| Help identify and manage income risks | | | | | |
| Financial modeling | | | | | |
| Build a financial model | | | | | |
| Project if enough money for lifestyle | | | | | |
| Other | | | | | |
| Identify estate planning issues | | | | | |
| Other _____ | | | | | |
| Other _____ | | | | | |

.....
 What changes do I need to make in my financial advisors?



My Tax Management Plan

Evaluate how you are managing the tax implications of your investments. List the amount of money you have in each type of account. If you have completed the "An Inventory of My Investments" worksheet on page 200, you may have already calculated many of these numbers.

| Tax Approach | Amount |
|------------------------------------|--------|
| Tax-Advantaged Accounts | |
| Retirement plans | |
| Traditional IRAs, Roth IRAs | |
| Annuities | |
| Life insurance | |
| Business/partnership | |
| Charitable trust | |
| Investments with Tax Breaks | |
| Tax-benefited products | |
| Municipal bonds | |
| Oil/gas | |
| Affordable housing | |
| Individual stocks | |
| Individual real estate | |
| Not Sheltered | |
| | |

.....
 What changes do I want to make to better manage my taxes?



Will I Have Enough? A Fast-Track Way to Get Thinking

If you want to get a quick sense of how much investment savings you will need for a financially secure retirement, this worksheet is for you. If you would rather do a little more work and get a more accurate number right from the start, you might want to skip this worksheet and go right to the one on page 237.

First Rule of Thumb

The sustainable rate of withdrawal from your investments each year is about 4% of the value of your investments (assuming that your return on those investments is at least 8%–10%).

This is the amount you can withdraw and still maintain a pool of money that will produce the future income you will need from the investments.

To maintain your principal with a 4% withdrawal rate, you will need an investment pool at least 25 times as large as the amount you withdraw each year. For example, if you will need \$30,000 per year from your investment income (to supplement your Social Security payments and pension payment, if available), you will need investments worth \$750,000 (the value at the time you want to make the withdrawal, not today).

| Annual Dollars I Will Need * | x | 25 | = | Value of Investments I Will Need |
|--|---|----|---|-------------------------------------|
| _____ | x | 25 | = | _____ |
| <p>* Use the amount of expenses you listed in the worksheet in Chapter 12 as a starting point and adjust as you see fit. Remember, this is just a ballpark estimate.</p> | | | | |



Will I Have Enough? A More Precise Calculation

To answer the question “Will I have enough?” more precisely, you need to estimate the return on your actual investments and take into account your expenses, longevity, inflation, and investment uncertainty. Here is a straightforward way to get started. Later in the chapter we will talk about financial models that will help you get an even more precise answer.

Step 1

Return on Investments

Once you know what investments you have, you can estimate future income from them. The table below shows the approximate historical returns—from the past 75 years—for various types of investments.

You can use the historical figures or your own estimates in your calculations. A pessimistic investor might choose to use an estimate that is a percentage point or two below historical returns, while an optimistic investor might choose to use an estimate that is a percentage point or two above historical returns. Remember, past performance does not guarantee future performance.

If you completed the “My Portfolio Diversification Plan” worksheet on page 216, use the figures to complete the “Value of My Investments” column below.

| Asset Class | Historical Annual Returns* | My Estimated Return | x | Value of My Investments | = | Total Annual Income |
|------------------------------------|----------------------------|---------------------|---|-------------------------|---|---------------------|
| Stocks | | | | | | |
| U.S. large companies | 10% | | | | | |
| Foreign large companies | 11% | | | | | |
| U.S. small companies | 12% | | | | | |
| Foreign small companies | 13% | | | | | |
| Contracts | | | | | | |
| Cash | 4% | | | | | |
| Bonds | 6% | | | | | |
| Other | | | | | | |
| Real estate | 8% | | | | | |
| Other | | | | | | |
| Total Income on Investments | | | | | | |

* Past performance does not predict future performance.



Will I Have Enough? A More Precise Calculation *continued*

Remember that if you reallocate assets to include more money in the historically higher-paying asset classes, you might generate more income. But you will also increase your risk—which could result in losses to your portfolio.

This calculation assumes that you do not touch your principal. If you need more income than your portfolio can support and you dip into principal, then you start a downward spiral in your investment values. This is because you have used up some of the principal, yet you may need even more the following year. Your principal could be gone in 15 years or even less. Then there will be no investment income at all.

Just as you do not want to dip into principal, you may not want to use all of your return each year. Instead, you will want to reinvest some of this money to match increases in inflation.

Step 2

Sustainable Investment Income

In the ballpark estimate in the worksheet on page 235 we suggested a sustainable withdrawal rate of 4% of your investments. Here you can calculate a more accurate estimate that is based on your estimates for return, inflation, and a buffer for investment uncertainty. Remember, your sustainable investment income is the amount of income you can take from your investments without endangering the future potential for income. Calculate your sustainable investment income below.

| | | | |
|---|------------|---------------|------------------------|
| Total annual income on investments | | \$ _____ | (from page 237) |
| Total value of investments | | \$ _____ | (from page 237) |
| Rate of return on total investments | | _____ % | (Return ÷ value x 100) |
| | Historical | Your Estimate | |
| Inflation rate | 3–4% | _____ % | |
| Buffer for variable returns | 1–2% | _____ % | |
| Total adjustment (inflation + buffer) | | _____ % | |
| Sustainable investment return (Rate of return – Adjustment) | | _____ % | |
| Sustainable investment income (Sustainable return x value of investments) | | \$ _____ | |

Is your sustainable investment income a negative number? If it is, you will not be able to withdraw from investments and still protect your principal. You might need to consider a more aggressive investment strategy to increase your average annual returns (see chapter 14).



Will I Have Enough? A More Precise Calculation *continued*

Step 3

Estimate of My Retirement Income and Expenses

You will have retirement income sources in addition to your investment income. You will also have expenses, and they may be more or less than your current expenses. If you want to calculate income and expenses over the rest of your life, you will want help making the calculations (with an online calculator, for example). But it is relatively easy to estimate your income and expenses for the first year of your retirement (especially if it is close), and that may help you know how well you are doing.

If you have done earlier worksheets, you have collected most of this information already.

| Retirement Income | Amount in First Year of Retirement |
|---|------------------------------------|
| Sustainable investment income (From above, or use an online calculator to help estimate the value in your first year of retirement.) | |
| Pension | |
| Social Security | |
| Earned income | |
| Other | |
| Total Income | |

| Retirement Expenses | Amount in First Year of Retirement |
|---|------------------------------------|
| Current expenses (From exercise in chapter 12, adjusted for inflation, on average 3–4% per year.) | |
| How much will you be able to reduce your expenses in this period of your life? (Many people estimate 10–30% less.) | |
| What additional expenses will you have to meet your retirement goals? (This depends on your goals. See the worksheet in chapter 11.) | |
| Total Expenses | |
| Difference between Income and Expenses | |



Will I Have Enough? A More Precise Calculation *continued*

.....
Is it enough?

.....
What changes do I have to make so that it will be enough? Save more? Earn more? Spend less?



My Withdrawal Plan

Based on what you have learned, determine how you will withdraw your investments to meet your goals. These numbers may change over time, so you will want to review them annually.

Schedule of distributions from investments

| \$ Amount to Withdraw per Year | From What Account? |
|-----------------------------------|--------------------|
| \$ | |
| \$ | |
| \$ | |
| \$ | |
| Total | |



What Do I Want to Include in My Estate Plan?

.....
At my death, whom do I want to inherit my assets? Who needs your assets or will appreciate the inheritance? This list can be as long or as short as you wish.

.....
How do I want to allocate what I leave? You may consider allocating by specific assets, specific dollar amounts, specific percentages of your estate, or a combination of the three.

.....
Do I want to put restrictions on anyone's share? For example, perhaps you want your grandchildren to use the money only for college, or you want your second wife to use the money during her lifetime, but you want what's left to go to your children at her death.

.....
Whom do I trust to carry out my wishes?

You may not have all of the answers to these questions before you go to see a lawyer to have your estate plan prepared. Your lawyer can offer suggestions or present alternatives if you are not sure what is best for your situation.



WORKSHEET

My Financial Plan

Date Reviewed _____

.....
Retirement/Life Goals (from chapter 11)

.....
My Current Annual Income and Expenses (from chapter 12)

Income _____

Expenses _____

Net cash flow _____

.....
Current Net Worth (from chapter 12)

Assets _____

Liabilities _____

Net worth _____

.....
Cash on Hand (from chapter 14)

Checking/savings _____

Emergency funds _____



My Financial Plan *continued*

Investments (from chapter 14)

Current retirement savings _____

Retirement savings goal _____

Contribution schedule

What amounts will you contribute this year to what accounts? _____

Current Diversification (from chapter 14)

(If your current diversification is not your *ideal* diversification, use the worksheet in chapter 14 to help you reallocate your investments.)

Type of investor (very conservative, conservative, balanced growth, growth, aggressive) _____

| | Percentage | Amount |
|----------------------|------------|--------|
| Stocks | _____ | _____ |
| Large U.S. | _____ | _____ |
| Small U.S. | _____ | _____ |
| Large foreign | _____ | _____ |
| Small foreign | _____ | _____ |
| Growth | _____ | _____ |
| Value | _____ | _____ |
| Nonstock investments | _____ | _____ |
| Actively managed | _____ | _____ |
| Passively managed | _____ | _____ |



My Financial Plan *continued*

Tax Management Plan (from chapter 15)

Percentage in tax-advantaged accounts _____

Percentage in tax-benefited investments _____

Percentage not sheltered _____

Expected Annual Return on Investments This Year (from chapter 16)

Withdrawal Schedule (from chapter 16)

What amounts will you withdraw over the next five years and from what accounts?

Year 1 _____ from _____

Year 2 _____ from _____

Year 3 _____ from _____

Year 4 _____ from _____

Year 5 _____ from _____



My Financial Plan *continued*

Disability Plan (from chapter 16)

I have considered long-term care insurance and have it in place if I need it yes no

Estate Plan (from chapter 17)

My will is up to date yes no

My living will/advance directive is up to date yes no

I have a power of attorney yes no

Advisors (from chapter 14)

Who will help me with:

Planning _____

Investment _____

Insurance _____

Legal _____

Tax preparation/management _____

How will I hold myself accountable for sticking to my financial plan?

Next review date _____



Action Plan for Managing Your Money

Are you moving in the right direction to achieve your goals? To help you think about the changes you might want to make, mark (X) the following on the scale between *No Change Needed* to *Needs Immediate Attention*.

| MANAGING YOUR MONEY | No Change Needed | Needs Immediate Attention |
|---|--|--|
| <p>Chapter 11 – Knowing How You Want to Live Knowing my life goals</p> | ● | ● |
| <p>Chapter 12 – Taking Inventory of Your Resources Calculating my current income and expenses Estimating my future income and expenses Increasing my savings contributions Understanding my nonfinancial resources</p> | ● ● ● ● | ● ● ● ● |
| <p>Chapter 13 – Investing Basics Understanding investment options</p> | ● | ● |
| <p>Chapter 14 – Making the Most of Your Investments Developing my investment strategy Rebalancing my investment portfolio Finding a financial planner</p> | ● ● ● | ● ● ● |
| <p>Chapter 15 – Managing Tax Obligations Developing a tax management strategy</p> | ● | ● |
| <p>Chapter 16 – Making Your Money Last a Lifetime Determining if I will have enough</p> | ● | ● |
| <p>Chapter 17 – Passing On What You Have Creating an estate plan Preparing a living will/advance directive</p> | ● ● | ● ● |
| <p>Chapter 18 – Pulling Together Your Financial Plan Creating a comprehensive financial plan</p> | ● | ● |



Action Plan for Managing Your Money *continued*

.....

What are my retirement goals for managing my money? Write your goals here and on "My Retirement Map" on pages 10 and 11.

.....

What barriers do I need to overcome to achieve my goals?

.....

What am I going to do to achieve my goals? Use the action steps worksheet on the next page to write down the steps and track your progress.



Action Steps Worksheet – Goal #1

| Steps I Am Going to Take | Target Completion Date | My Progress | Notes |
|--------------------------|------------------------|--|-------|
| | | started _____ complete! <input data-bbox="862 533 1133 569" type="text"/> | |
| | | started _____ complete! <input data-bbox="862 735 1133 770" type="text"/> | |
| | | started _____ complete! <input data-bbox="862 936 1133 972" type="text"/> | |
| | | started _____ complete! <input data-bbox="862 1138 1133 1173" type="text"/> | |
| | | started _____ complete! <input data-bbox="862 1339 1133 1375" type="text"/> | |
| | | started _____ complete! <input data-bbox="862 1541 1133 1577" type="text"/> | |
| | | started _____ complete! <input data-bbox="862 1743 1133 1778" type="text"/> | |



Action Steps Worksheet – Goal #2

| Steps I Am Going to Take | Target Completion Date | My Progress | Notes |
|--------------------------|------------------------|---|-------|
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |
| | | started _____ complete! <input type="text"/> | |