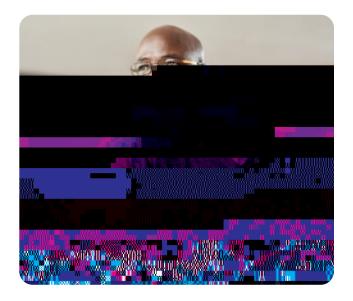
Retirement Budget Planning

While it's never too early to start saving for retirement, people who are nearing retirement age have extra considerations to keep in mind. These include:

- ▶ Where will I live?
- ▶ What will I do with my time?
- What level of income will I need to sustain my lifestyle?
- If I want to get by on less money, what spending cuts will I need to make?

These questions will help you create a retirement budget. Here are some other tips to keep in mind:

- Forget the 80% spending rule. This bit of common wisdom says that you should plan to live on 80% of your pre-retirement monthly income. However, many factors could affect what you will need to make ends meet, such as inflation, travel, where you live, and whether you cohabitate with family or downsize your home.
- Con rm your estimated income. Sources include Social Security payments, pensions, and retirement savings accounts. If you work with a financial advisor, they can estimate how much monthly income you can expect to have available throughout a reasonable anticipated lifespan.
- Consider work options. If you plan to work part-time, think about what kind of job you want to



have. Will you continue in your current field or would you prefer a change of pace? Could you convert a hobby into a source of income? While freelancing or working on special projects may be a good way to practice your trade, it may result in less predictable income.

- Review your current budget. Identify expenses that will no longer be necessary once you retire and those that can be cut to reduce spending. Model budgets based on life changes you might make, such as moving to a different place or traveling more.
- Do a trial run. Reduce spending based on your estimated retirement budget for a month or two. What works and what doesn't? If you're struggling to make ends meet, you may need to revise your estimates or adjust your plans.



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