

## Step 2: Identify Your Retirement Resources and Income Gaps

### A) Monthly Income Need: Essential Expenses

*If in case you would prefer to further customize or more specifically define your spending categories, circle additional items on the following tables. Enter their name and estimated amount on the spending plan form in the rows on page 10.*

#### Common Essential Expenses Categories

##### Fixed Expenses

- Alimony
- Boat loans
- Car (gas, parking, tires, insurance, etc.)
- Child Support
- Credit card debt
- Day care
- Education
- Electricity
- Gas (heating)
- Medical insurance
- Rent/mortgage
- Land contract payments
- Student loan(s)
- Telephone
- Union dues
- Miscellaneous
- Other

##### Periodic Expenses

- Income taxes
- Disability insurance
- Safety deposit box
- Post office box
- Property taxes
- Homeowner's insurance
- Renter's insurance
- Christmas
- Seasonal dues
- Water bill
- Trash pickup
- Miscellaneous
- Other

#### Ways to cut or eliminate essential costs

*If your numbers aren't adding up, consider using some of the following ways to dig up dollars from your fixed expenses:*

- Examine insurance policies for potential lost savings, i.e., raise the deductible on your car from \$250 to \$500.
- Refinance debt to a lower cost loan such as a home equity loan.
- Be conservative with the use of utilities.
- Participate in retirement savings programs which then reduce taxes.
- Cancel unnecessary insurance, i.e., children's life insurance.
- Avoid using credit cards - pay cash.
- Sell big items that you don't use much, i.e., boat, snowmobile, etc.