

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.

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

2 DISCRETIONARY: These are your “lifestyle” expenses such as entertainment, travel, and other leisure activities.

A secure retirement 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'll be able to sleep well at night.

Identify your retirement income needs in 4 easy steps:

1 ESTIMATE your expenses in retirement

3 DETERMINE your income sources

2 CALCULATE your retirement income gap

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.

Centric Wealth Management



Focused on YOU.

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	
Annual Essential Expenses	

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	
Annual Lifestyle Expenses	

Annual Essential Expenses	
Annual Lifestyle Expenses	
Total Annual Expenses (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 Cost
Social Security	
Pensions	
Annuities e.g., guaranteed lifetime withdrawals or annuity payments	
Other	
Total Annual Guaranteed Income	

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



3 DETERMINE your income sources

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

Annual Guaranteed Income	—	Annual ESSENTIAL Expenses	=	ESSENTIAL Income Gap

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

Annual Guaranteed Income	—	Total Annual Expenses (Essential + Lifestyle)	=	Total Income Gap

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 e.g., CDs, money market, checking, savings account	
IRAs e.g., Traditional and Roth	
Employer-Sponsored Retirement Plans e.g., 401(k)s, 403(b)s, SEP IRAs	
Annuities	
Other	
Total Current Assets	

Now that we've determined whether or not you have a retirement income gap, we can review your portfolio to determine if any of your assets can be used to create income for your retirement. Be sure to include all of your assets, no matter where they're invested.

WE CAN WORK TOGETHER TO SOLVE YOUR INCOME SHORTFALL.





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2035 E. Iron Suite 109 • Salina, Kansas 67401 • (785) 376-0711 • www.CentricAdvice.com

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