RETIREMENT INCOME · WORKSHEET

The Retirement Income Gap Worksheet

There is one number that decides whether your money lasts. It is not your account balance. Find it in fifteen minutes, at your own kitchen table.

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The number nobody ever hands you

For forty years, one number ran your life. It arrived every two weeks and you built everything around it. Then you retire, and nobody sends it any more.

What people are handed instead is a balance. Four hundred thousand. Nine hundred thousand. It is a big, satisfying number, and it answers the wrong question. A balance tells you what you have. It tells you nothing about what you can safely spend, for how long, or what happens to it in a bad year.

The number that actually decides your retirement is smaller and far less comfortable to look at. It is the difference between what you need every month and what is guaranteed to show up every month. Advisors call it the income gap. Most people have never calculated it.

That is what the next two pages are for. No sales pitch in them — just arithmetic you can do yourself. At the end you will have one figure, and that figure changes every other decision you make: when to claim Social Security, how much risk your portfolio can carry, whether you can retire at 63 instead of 66.

> **Why the gap matters more than the balance**
>
> Two people with identical $800,000 balances can be in completely different situations. One has a $900 monthly gap and a pension. The other has a $4,200 gap and no pension. The first can weather a bad market. The second is funding groceries out of a brokerage account and cannot afford a bad three years. Same balance. Different retirements.

How to use this worksheet

- Fill it in on the screen — the boxes are live — or print it and use a pencil. Either works.
- Use today's dollars and today's bills. Do not try to guess at inflation; that comes later.
- If you are married, do it once for the household, counting both Social Security checks.
- Be honest on the discretionary lines. The travel you actually intend to do is part of the plan, not an extravagance to be embarrassed about.
- It takes about fifteen minutes. Nobody sees your answers but you.

WORKSHEET A

What your life costs each month

Start with the bills that arrive whether or not you feel like paying them, then the spending that is the reason you retired in the first place.

Essential — the non-negotiables

Housing (mortgage or rent, taxes, insurance, HOA)	
Utilities (power, water, internet, phone)	
Groceries and household	
Transportation (car payment, fuel, insurance, upkeep)	
Health insurance, Medicare premiums, prescriptions	
Other insurance (life, umbrella, long-term care)	
Debt payments (credit cards, loans not listed above)	
A. TOTAL ESSENTIAL, PER MONTH	

Discretionary — the reason you retired

Travel and vacations (monthly average)	
Dining out, entertainment, hobbies	
Gifts, grandchildren, family help	
Charitable giving	
Everything else	
B. TOTAL DISCRETIONARY, PER MONTH	
C. TOTAL MONTHLY NEED (A + B)	

➤ WORKSHEET B

What is already guaranteed — and what is not

Guaranteed means it arrives every month for as long as you live, regardless of what the market does. Social Security counts. A pension counts. An income annuity you already own counts. A rental property, a part-time job, dividends and a 4% withdrawal do not — those are income, but they are not guaranteed, and this page is about the floor under your feet.

Social Security — you (at your planned claiming age)	
Social Security — spouse	
Pension — you	
Pension — spouse	
Income annuity payments you already own	
Other lifetime guaranteed income	
D. TOTAL GUARANTEED, PER MONTH	

Your income gap

E. MONTHLY GAP (C – D)	
F. ANNUAL GAP (E × 12)	
G. OVER 25 YEARS (F × 25) In today's dollars, before inflation and before taxes.	

Read line E out loud

That is the amount your savings have to manufacture, every month, for the rest of your life — on time, in a good market and a bad one. Line G is roughly what that promise is worth in total. For most households it is a larger number than they expected, and it is the honest starting point for every decision that follows.

➤ WHAT TO DO WITH THE NUMBER

Three ways to fill the gap

Before anything else, compare line D to line A. If your guaranteed income already covers your essential bills, you are in an unusually strong position — a market crash would cost you a vacation, not your groceries. If it does not, some portion of your necessities is currently funded by an account that can fall 30% in a year. Closing that specific distance is the job.

There are really only three ways to do it, and most good plans use two of them. None is automatically right; what matters is which parts of your gap you want guaranteed and which parts you are comfortable leaving exposed.

1. **Withdraw from your portfolio**
   The default. Flexible, liquid, and you keep control of every dollar. The catch is that the amount is not guaranteed and the timing is not under your control — a poor market in your first few years of withdrawals does lasting damage, because you are selling shares at a discount to pay the electric bill. It also means the size of your retirement is decided partly by luck.

2. **Delay Social Security**
   The cheapest guaranteed income available to most people, and the most overlooked. Between your full retirement age and age 70, delayed retirement credits increase your benefit by roughly 8% for each year you wait, and that higher amount is inflation-adjusted and lasts for life. For a married couple, delaying the higher earner's benefit also raises the survivor benefit. If your gap is modest, this alone may close a good part of it.

3. **Buy guaranteed lifetime income**
   An income annuity converts a portion of savings into a monthly payment that arrives for as long as you live, no matter what markets do. Sized correctly, it covers the essentials line — line A — and nothing more. The trade is liquidity: money committed to the contract is generally no longer available as a lump sum, and the payments depend on the issuing carrier's claims-paying ability, not on any government guarantee.

> **The way most plans actually get built**
>
> Delay Social Security if you can afford to. Guarantee the remaining essentials with an income annuity sized to that specific gap — not to your whole balance. Leave everything else invested for growth, travel and the grandchildren, because it is no longer the thing keeping the lights on. That is the entire strategy in three sentences.

What this worksheet cannot tell you

It ignores inflation, taxes, one spouse dying, and the cost of care. Those are exactly the things that turn a workable plan into a fragile one, and they are the reason the next conversation is worth fifteen minutes of your time. Bring this sheet with you — filled in, honestly — and we will start from your real numbers instead of a hypothetical.

Wealth Path FINANCIAL

NO COST · NO OBLIGATION · 15 MINUTES

You have the number. Now find out what it means.

Bring this worksheet to a fifteen-minute call. We will look at your gap, your Social Security claiming decision and your tax picture, and I will tell you plainly whether you have a problem or whether you are in better shape than you thought.

- No cost, and no obligation to do anything afterward
- No one calls you again if you tell me you are not interested
- You leave with a straight answer, even if the answer is 'you're fine'

Pick a time that works for you

Fifteen minutes, by phone or video. Bring one question.

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SCAN TO BOOK

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Long-term care benefits are subject to policy benefit triggers, elimination periods, benefit limits, underwriting and state availability. Product features and availability vary by state and by carrier.

Social Security claiming figures referenced in this guide reflect delayed retirement credits under current Social Security Administration rules for individuals born in 1943 or later. Individual benefit amounts and claiming strategies vary; confirm your own figures with the Social Security Administration at ssa.gov.

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