

Estimating Your Financial Needs for Retirement

Retirement planning necessitates a strategic approach, as emphasized by financial planners specializing in pension consulting. A common pitfall is saving without a clearly defined goal, which can lead to financial difficulties in retirement. To avoid this, it is crucial to determine your future financial needs to ensure that your current savings strategies are sufficient.

Assess Current Expenses

A fundamental step in retirement planning is to analyze your current spending habits. This provides a baseline for estimating your future financial requirements. However, it is essential to recognize that your expenses will likely change upon retirement.

Anticipate Changes in Expenses

Certain expenses are expected to decrease post-retirement.

These may include:

- + **Income Taxes:** Reduced income often results in lower tax liabilities.
- + **Housing Costs:** Downsizing or fully paying off your mortgage can decrease housing expenses.
- + **Utilities and Child-related Costs:** Both are likely to diminish.
- + **Work-related Costs:** Commuting expenses such as fuel, tolls, car payments, and insurance, as well as costs for work attire, will decrease.

Conversely, some expenses may increase, particularly in areas such as:

- + **Travel and Entertainment:** With more leisure time, spending in these categories often rises.
- + **Healthcare:** While Medicare can reduce healthcare expenses, the need for additional insurance or higher out-of-pocket costs due to declining health can increase expenditures.



Income Requirements

Many financial advisors suggest that maintaining approximately 80% of your pre-retirement income is necessary to sustain your current lifestyle during retirement.

Evaluate Retirement Income Sources

It is essential to evaluate all potential sources of income during retirement, including:

- + **Social Security Benefits**
- + **Rental Income from Properties**
- + **Pension Plans**
- + **Any Other Recurring Income Streams**

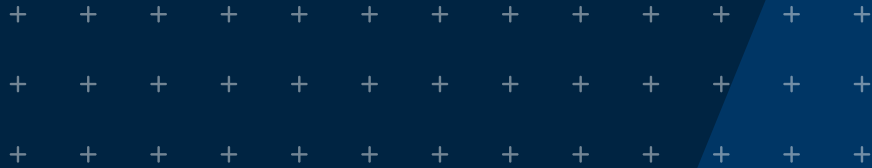
Calculate Savings Needs

Once you have estimated your retirement income and anticipated expenses, you can determine the amount of savings required to bridge any gaps. This calculation is critical to ensure that you are on track to achieve your retirement goals.

By methodically assessing your current expenses, anticipating changes, and evaluating potential income sources, you can develop a comprehensive plan to secure your financial future in retirement.



Let's Connect



For assistance with your retirement needs, contact an IMA Retirement Advisor at 877.305.1864 or retirement@imacorp.com

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