



Joy of Money Worksheet

RETIREMENT SAVINGS GOAL

As you go through this exercise, it's okay if your estimates feel rough or like informed guesses—you can (and will) come back and tighten things up later.

Just do your best now, and don't stop moving.

Step 1: Ballpark Annual Spending in Retirement

- Look at your monthly budget and annual costs.
- Look at your “good enough” retirement vision and consider expenses that will change or disappear (mortgage? commuting?).
 - Even if your mortgage is paid off, you will still have home maintenance and property taxes to pay. If you plan to sell your house and downsize as part of your retirement, make sure to still include some housing costs.
 - Don’t worry about healthcare costs—we factor those in later.
- Add an allowance for extras you plan to enjoy (travel, hobbies). You can eyeball this—a rough estimate is okay.
- Write down your Annual Budget Number (most people land at 70–80 percent of preretirement spending): \$ _____



Step 2: Add in Taxes

- **If you aren't sure whether your retirement money will be invested in traditional or Roth investment accounts, just assume traditional.** You can always change this later. If your money is invested in all or mostly in:
 - Traditional retirement accounts: Multiply your annual budget number by 1.15 to account for taxes (multiply by 1.2 for high-tax states like New York, California, or New Jersey).*
 - Roth accounts with tax-free withdrawals: Multiply your annual budget number by 1.05 to account for odds and ends like state tax on Social Security.

Write down your Taxed-up Annual Budget Number: \$_____

Step 3: Plan for Rising Costs

- **Adjust this number for inflation. If you're retiring in...**
 - 10 years → $\times 1.3$
 - 15 years → $\times 1.6$
 - 20 years → $\times 1.8$
 - 25 years → $\times 2.1$
 - 30 years → $\times 2.4$

Write down your new Inflation-Adjusted Annual Budget Number:
\$_____

Step 4: Subtract Social Security

- **Visit SSA.gov**, grab your estimated monthly benefit, and multiply by 12.
- **Subtract that number from your Inflation-Adjusted Annual Budget Number.**

Write down your new Social Security-Adjusted Annual Budget Number:
\$_____



Step 5: Multiply by 25 to Get Your “Almost Done” Retirement Savings Goal

- Multiply your Social Security-Adjusted Annual Budget Number by 25.

Write down your Almost Done Retirement Savings Goal:

\$ _____

Step 6: Add Extra for Healthcare

This is for healthcare costs in addition to Medicare Part A (some hospital costs are covered, but not doctor visits, prescriptions, and some medical treatments). Use the high end of these ranges if you’re a high earner, have health problems in your family, or expect a long life-span. Don’t forget to account for two people, if you are making a plan that includes someone else. If you are retiring in . . .

- 2035: Add \$130K–\$215K per person.
- 2045: Add \$180K–\$297K per person.
- 2055: Add \$240K–\$396K per person.

Write that number here: **THIS IS YOUR RETIREMENT SAVINGS GOAL!**

\$ _____

If you want to keep all these big-deal numbers in one place, go back to your Retirement Summary Chart and update it.