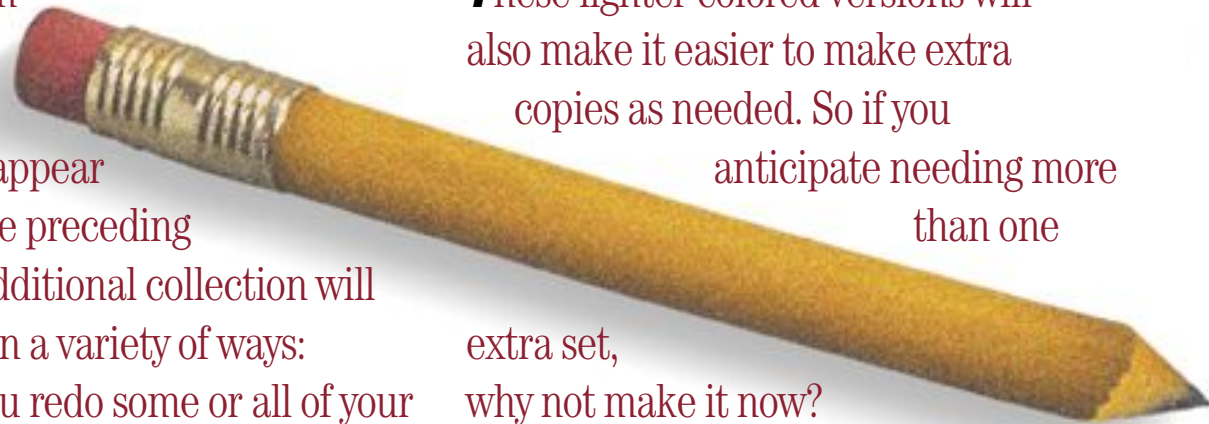


WORKSHEETS FOR THE FUTURE

You have seen the following worksheets before. They appear on some of the preceding pages. This additional collection will prove useful in a variety of ways:

- I**t will help you redo some or all of your calculations from time to time.
- I**f you get a raise and add it to your savings, that's an ideal time to update Worksheet A (*Today's Money*).
- I**t's abbreviated instructions will provide an extra level of understanding.
- D**o you plan to pay off a mortgage between now and retirement? This will also affect your worksheet calculations.
- A**nd each time you add more to savings, you close any gap between the money you have and the money you will need for retirement (Worksheet H).
- S**aving copies of all the worksheets will clarify the progress you are making toward your retirement goals.



These lighter colored versions will also make it easier to make extra copies as needed. So if you anticipate needing more than one

extra set, why not make it now? And don't forget to use your trusty number 2 pencil. Remember, the reward for completing this information should be a happy retirement future rather than a beautifully drafted plan. Done well, it will be as considered and accurate as it is erased and dog-eared. Accomplishing such a goal will require that each mystery be solved a clue at a time.

If all this sounds a little daunting, please don't forget our generous time frame – 5 to 10 years if we start now. Even devoting just one hour a month will allow more than enough attention to develop your successful strategy.

WORKSHEET A
TODAY'S MONEY

WORKSHEET B
YOUR MONEY-
10 YEARS FROM TODAY

WORKSHEET C
NEW SAVINGS BETWEEN

WORKSHEET D
MONTHLY INCOME OVER
A 30-YEAR R

Income Conversion Factors f
0.004216 for 3% 0.00536

WORKSHEET E
MONTHLY EXPENSES
TODAY

WORKSHEET F
MONTHLY EXPENSES IN 10 YEARS

WORKSHEET G
COMPARING PROJECTED INCOME
AND EXPENSES-
ARE YOU PREPARED?

WORKSHEET H
ADDITIONAL SAVINGS
NEEDED BEFORE RETIREMENT
(IN 10 YEARS)

Additional savings factors:
0.00716 for 3% 0.00644 for 5% 0.00578 for 7%

² Inflation adjusted value factor (see Clue 3)	³ Value in dollars at retirement for one month (Column 1 x Column 2)	⁴ Total value of in dollars at retirement (Column 3 x 360 months)

INSTRUCTIONS FOR WORKSHEET A
TODAY'S MONEY

Worksheet A lets you shine some light on the money you will have to support yourself (and your spouse, if you have one) in retirement.

Write down in this worksheet only the money you have today that you plan to use when you retire. Include the balance on your 401(k) plan, Keogh, SEP-IRA, and SIMPLE plans in the spaces provided. The next rows include savings in IRAs (both traditional and Roth), savings accounts in a bank, and the market value of your home.

Enter mortgage and other liens as a negative amount, then go on to add any other personal savings and investments you have, including the cash value of life insurance and any valuable collections you may have.

The only items you don't add in this chart are balances from your Social Security statements and from a traditional pension plan, if you have one.

INSTRUCTIONS FOR WORKSHEET B
**YOUR MONEY-
10 YEARS FROM TODAY**

This worksheet takes the total from Worksheet A and projects it into the future – specifically, to the day you retire. How much money will you have?

By choosing a savings growth factor for a 3, 5, or 7 percent rate of return, you can take current

retirement saving sources and project earnings on each of them during the next 10 years. You will be able to transfer the dollar amounts for your income sources directly from Column 3 of Worksheet A. Multiply that number by the savings growth factor you choose and enter the new number in Column 3.

Like Worksheet A, Social Security benefits and traditional pensions are not included since you won't receive these sources of income until retirement.

INSTRUCTIONS FOR WORKSHEET C
**NEW SAVINGS BETWEEN
NOW AND RETIREMENT**

You may well have additional workplace and personal savings to add to your earnings between now and retirement. Worksheet C lets you calculate potential growth using a savings growth factor representing 3, 5, or 7 percent rates of return, depending on how much you believe each of the worksheet items will increase in value between now and the day you retire in 10 years.

To get 10-year totals, multiply the amount you believe you will add monthly to IRAs, 401(k)s and other savings instruments by the growth factor you select. The result: the value of your new savings in 10 years.

WORKSHEET A TODAY'S MONEY

Instructions: Record amounts for yourself and for your spouse in columns 1 and 2. Add up the money across each row for you and your spouse and write the total in column 3. Then add all the numbers down column 3 and write the total in column 3 at the bottom.

	¹ You	² Spouse	³ Total
Work-related retirement savings			
401(k) or 403(b)			
Keogh			
SEP-IRA			
SIMPLE IRA			
Other			
IRAs (traditional)			
IRAs (Roth)			
Other			
Home equity (market value)			
Mortgage and liens (enter as negative amount)			
Personal savings and investments			
Other assets (collections, etc.)			
TOTAL ASSETS			

WORKSHEET B YOUR MONEY- 10 YEARS FROM TODAY

Asset Growth Factors for Three Selected Rates of Return

1.344 for 3% 1.629 for 5% 1.967 for 7%

	¹ Current \$ value <small>(from Worksheet A, Column 3)</small>	² Asset growth factor <small>(rate of return)</small>	³ Asset value in 10 years <small>(Column 1 x Column 2)</small>
Work-related retirement savings			
401(k) or 403(b)			
Keogh			
SEP-IRA			
SIMPLE IRA			
Other			
IRAs (traditional)			
IRAs (Roth)			
Other			
Home equity (market value)			
Mortgage and liens (enter as negative amount)			
Personal savings and investments			
Other assets (collections, etc.)			
TOTAL ASSETS			

WORKSHEET C NEW SAVINGS BETWEEN NOW AND RETIREMENT

Savings Growth Factors for Three Selected Rates of Return

139.741 for 3% 155.282 for 5% 173.085 for 7%

	¹ Estimated monthly savings amount	² Savings growth factor	³ Value of savings in 10 years <small>(Column 1 x Column 2)</small>
Work-related retirement savings			
401(k) or 403(b)			
Keogh			
SEP-IRA			
SIMPLE IRA			
Other			
IRAs (traditional)			
IRAs (Roth)			
Other			
Home equity (market value)			
Mortgage and liens (enter as negative amount)			
Personal savings and investments			
Other assets (collections, etc.)			
TOTAL ASSETS			

INSTRUCTIONS FOR WORKSHEET D
**MONTHLY INCOME OVER
 A 30-YEAR RETIREMENT**

Worksheet D takes your earnings and savings over a lifetime and projects a monthly income – the amount you will have to live on – during a 30-year retirement period. Unlike previous worksheets, this one adds the amount of your Social Security benefit and of any payout from a traditional pension plan.

If you have a fixed pension (rather than an employer 401(k)-type plan), your pension plan administrator or union can give you the approximate amount of your pension and whether you can receive it as a lump sum or as fixed monthly payments. If it is a lump sum, enter that amount in Column 1 of the worksheet; if you receive it as a fixed monthly benefit, fill in only Column 3.

For other assets, those you tracked down in Worksheets B and C, add the totals for each item from both worksheets and enter the total in Column 1 of this worksheet. Then select an income conversion factor representing a 3, 5, or 7 percent rate of return and enter it in Column 2. Multiple Column 1 by Column 2 and enter the result in Column 3. Remember, this is a guesstimate of your monthly income for the 30 years of retirement since things that impact your income will vary.

WORKSHEET D MONTHLY INCOME OVER A 30-YEAR RETIREMENT

Income Conversion Factors for Assumed Rates of Interest
 0.004216 for 3% 0.005368 for 5% 0.006653 for 7%

	¹ Accumulated assets <small>(Column 3 from Worksheet B plus Column 3 from Worksheet C)</small>	² Income conversion factor		³ Monthly income beginning at retirement <small>(Column 1 x Column 2)</small>
Social Security				
Work-Related Retirement Savings				
Pension benefits				
401(k) or 403(b)				
Keogh				
SEP-IRA				
SIMPLE IRA				
Other				
IRAs (traditional)				
IRAs (Roth)				
Home equity (market value)				
Mortgage and liens (enter as negative amount)				
Personal savings and investments				
Other assets (collections, etc.)				
TOTAL ASSETS				

WORKSHEET E MONTHLY EXPENSES TODAY

INSTRUCTIONS FOR WORKSHEET E MONTHLY EXPENSES TODAY

Now that you know what your savings and investments are, the next step is to move on to today's expenses. Worksheet E calculates what you spend today.

Some monthly expenses are easy to figure. Others, like a heating bill, may not remain the same from month to month and will require a calculation of your average monthly bill over a year's time. Still other bills may arrive only quarterly. While you may want to guesstimate some of these bills the first time you fill in the worksheets, you will probably want to add more accurate figures later.

If you are married, include your spouse's expenses; in addition, if anyone is financially dependent on you, add in those expenses.

	¹ Monthly Amount		¹ Monthly Amount		¹ Monthly Amount
Housing		Loans		Health Care (continued)	
Mortgage (Including condo fees)		Car		Dental	
Rent		Credit card		Vision	
Maintenance		Other		Noncovered items	
Food (at home)		Workplace retirement and personal savings		Travel/vacations	
Utilities		Personal Care		Entertainment	
Electricity		Hair cut		Eating out	
Heat		Dry cleaning		Hobbies	
Internet/cable		Gym		Movies/theatre	
Phones		Other		Charitable contributions	
Water/sewer		Transportation		Other	
Clothing		Car repairs and maintenance		Gifts	
Taxes		Gas		Membership dues	
Real estate		Parking		Pet-related costs	
Income (state and federal)		Public transportation		TOTAL ESTIMATED MONTHLY EXPENSES (other than health)	
Other property taxes		Health Care		TOTAL ESTIMATED MONTHLY EXPENSES (health)	
Insurance		Health insurance			
House		Doctor visits			
Life		Hospital			
Car		Medicine			
Disability		Over-the-counter medicine			
Long-term care					

WORKSHEET F MONTHLY EXPENSES IN 10 YEARS

(First year of retirement)

	¹ Total monthly expenses now (from monthly expenses column in Worksheet E)	² 10-year inflation factor of 1.4106 (3.5%) (except for health care)	³ Total expenses in 10 years adjusted for inflation (Columns 1x2)		¹ Total monthly expenses now (from monthly expenses column in Worksheet E)	² 10-year inflation factor of 1.4106 (3.5%) (except for health care)	³ Total expenses in 10 years adjusted for inflation (Columns 1x2)
Housing				Loans			
Mortgage (Including condo fees)				Car			
Rent				Credit card			
Maintenance				Other			
Food (at home)				Workplace retirement and personal savings			
Utilities				Personal Care			
Electricity				Hair cut			
Heat				Dry cleaning			
Internet/cable				Gym			
Phones				Other			
Water/sewer				Transportation			
Clothing				Car repairs and maintenance			
Taxes				Gas			
Real estate				Parking			
Income (state and federal)				Public transportation			
Other property taxes				Health Care			
Insurance					For a 7% inflation factor, use 1.9672		
House				Health insurance			
Life				Medicare Part B			
Car				Medigap			
Disability				Doctor visits			
Long-term care				Hospital			
				Medicine			
				Over-the-counter medicine			

WORKSHEET F CONTINUED

MONTHLY EXPENSES IN 10 YEARS

(First year of retirement)

	¹ Total monthly expenses now (from monthly expenses column in Worksheet E)	² 10-year inflation factor of 1.4106 (3.5%) (except for health care)	³ Total expenses in 10 years adjusted for inflation (Columns 1x2)
Health Care (continued)			
Dental			
Vision			
Noncovered items			
Travel/vacations			
Entertainment			
Eating out			
Hobbies			
Movies/theatre			
Charitable contributions			
Other			
Gifts			
Membership dues			
Pet-related costs			
TOTAL MONTHLY EXPENSES ADJUSTED FOR 10 YEARS INFLATION (other than health)			
TOTAL MONTHLY EXPENSES ADJUSTED FOR 10 YEARS INFLATION (health)			

INSTRUCTIONS FOR WORKSHEET F

MONTHLY EXPENSES IN 10 YEARS

Inflation will increase your expenses, even in the 10 years between now and retirement. Worksheet F helps you calculate how much inflation might affect each of the items in the expenses you recorded in Worksheet E. In addition, it adds room for some new types of health-related expenses, a category that usually increases for retirees. This chart assumes an inflation rate of 3.5 percent for items other than health-related expenses and assumes a 7 percent inflation rate for health expenses.

Note: Many mortgage and some loan payments have already taken into account the rate of inflation. If you have a fixed mortgage or loan, you will not need to do the calculation for this item.

WORKSHEET G

COMPARING PROJECTED INCOME AND EXPENSES- ARE YOU PREPARED?

	¹ At retirement	² Inflation adjusted value factor (see Clue 3)	³ Value in dollars at retirement for one month (Column 1 x Column 2)	⁴ Total value of in dollars at retirement (Column 3 x 360 months)
Total projected income Worksheet D, col 3 total				
Total projected expenses Worksheet F, col 3 total H Health O ther than health				
Projected value of income less expenses Subtract line 2 from line 1				

INSTRUCTIONS FOR WORKSHEET G

COMPARING PROJECTED INCOME AND EXPENSES

This worksheet compares your anticipated income and expenses over the 30 years of your retirement and will reflect any shortfall between the two.

Use the total monthly income calculated in Worksheet D and multiply it by a value adjustment factor you select from Clue 3 on page 31. Select the rate of return with a 0 percent inflation rate. Then multiply this result by 360 months and enter that amount in Column 4 of Worksheet G. This is your total projected income.

Next, record the total monthly expenses calculated in Worksheet F. For expenses other than health, choose an inflation adjustment value factor from Clue 3 on page 31. Use the 3.5 percent inflation rate (used in Worksheet F) or select another that you believe will reflect inflation over the 30-years of your retirement.

For health, use a 7 percent inflation rate or select another rate. Multiply this result by 360 months and enter it in Column 4. Now subtract the total value of projected expenses (“other than health” and “health”) over 30 years of retirement in Column 4 from the corresponding total value of your projected income (also in Column 4). The result is the projected value of income less expenses.

INSTRUCTIONS FOR WORKSHEET H
**ADDITIONAL SAVINGS
 NEEDED BEFORE RETIREMENT
 (IN 10 YEARS)**

Now you can figure the amount you need to start to save today to make up for any gap between projected income and expenses.

Multiply the gap in Worksheet G by an additional savings factor you select from the top of Worksheet H based on the rate of return you believe your savings will earn.

WORKSHEET H
**ADDITIONAL SAVINGS
 NEEDED BEFORE RETIREMENT
 (IN 10 YEARS)**

Additional savings factors:

0.00716 for 3% 0.00644 for 5% 0.00578 for 7%

Gap between projected total value of expenses and projected total value of income (from Worksheet G)	1 \$
Additional savings factor	2
Additional monthly savings needed (multiply line 1 x line 2)	3 \$