



## Action Plan: My Savings and Investing Plan

### Directions

Use this Action Plan as you outline the most realistic strategy for utilizing investments during retirement, including determining the annual drawdown rate, sequencing asset liquidation, and planning for contingencies to cope with economic hardships or market fluctuations. Reference the workshop activities and resources to help complete your plan.

(✓)	Readiness Tasks
	1. I tentatively have decided my target retirement age as _____ and retirement year as _____.
	2. I have estimated my expected annual retirement expenses.
	3. I have devised a strategy to match my regular sources of income with essential expenses and match variable retirement savings income sources with nonessential expenses.
	4. I have a plan for how I will draw down my retirement savings assets, including establishing an annual drawdown rate and prioritizing the order in which assets will be liquidated.
	5. I have an inventory of current financial assets, including account details and current values.
	6. I have my financial assets diversified in a manner that matches my risk tolerance and investment goals.
	7. I have a contingency plan to respond to investment performance that doesn't meet expectations or to adjust when a major life event impacts my spending and savings plan.
	8. I am prepared with a list of questions to ask when meeting with a financial professional.

### Resources

- MyRetirementPaycheck.org
- Commodity Futures Trading Commission (CFTC) financial professionals *SmartCheck* tool, [www.smartcheck.gov](http://www.smartcheck.gov)
- Employee Benefit Research Institute (EBRI) *Choose to Save* program, [www.choosetosave.org](http://www.choosetosave.org)
- Financial Industry Regulatory Authority, Inc. (FINRA) Investor Education Foundation, [www.saveandinvest.org](http://www.saveandinvest.org)
- U.S. Department of Labor (DOL) guide *Savings Fitness: A Guide to Your Money and Your Financial Future*, [www.dol.gov/ebsa/pdf/savingsfitness.pdf](http://www.dol.gov/ebsa/pdf/savingsfitness.pdf)
- U.S. Securities and Exchange Commission (SEC) for seniors, [www.sec.gov/investor/seniors.shtml](http://www.sec.gov/investor/seniors.shtml)



- U.S. Securities and Exchange Commission (SEC) investment professional database, [www.investor.gov](http://www.investor.gov)



**Activity: Estimate My Retirement Expenses**

**Directions**

Based on your current expenditures and anticipated lifestyle during retirement, estimate your anticipated monthly expenditures during retirement. Use the chart below to estimate the expenses in today’s dollars. If you have not yet retired, adjust your current expenses to reflect numbers that seem realistic for your situation during retirement.

Predicted Monthly Expenses During Retirement	
Type	Estimated Expense
Mortgage or Rent Payment	\$
Homeowners Association (HOA) fees	\$
Homeowners or Renters Insurance	\$
Property Tax	\$
Utilities (Electricity, Water, Gas)	\$
Technology (Phone, Internet, TV)	\$
Groceries	\$
Transportation	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total Monthly Expenses	\$
Anticipated Gross Income	\$
<b>Monthly Expenses Compared to Total Income</b>	<b>%</b>

Calculate a total amount for the anticipated length of retirement (20 years? 25 years? 30 years?).

Compare the total anticipated expenses to your anticipated available retirement income sources. Are you on track to cover living expenses during your retirement years?



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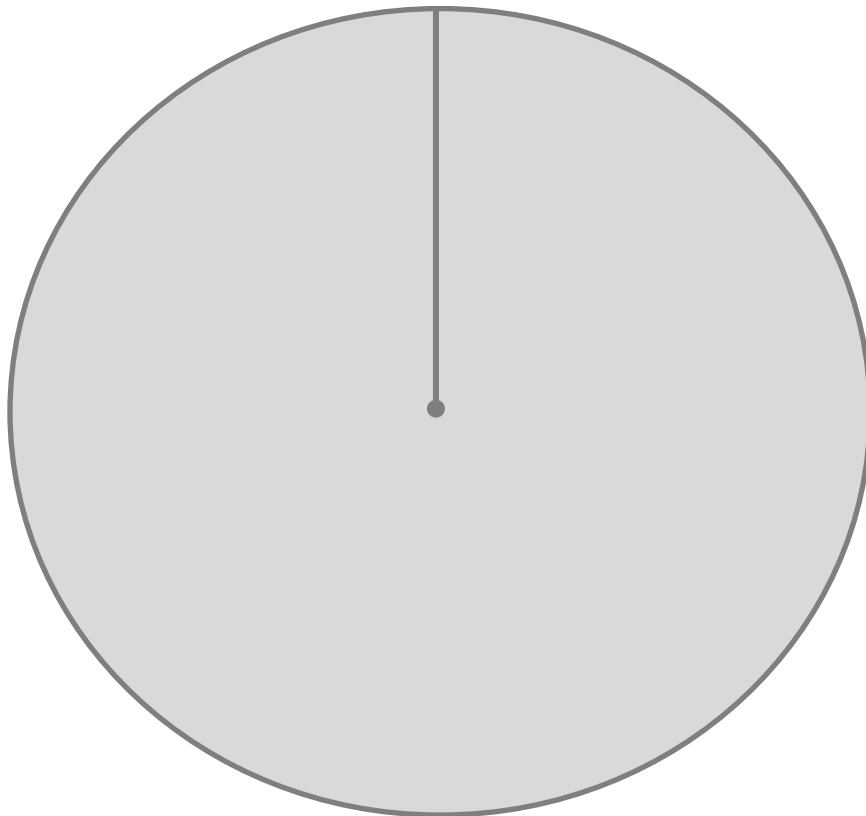
## Activity: My Investment Portfolio

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### Directions

Create a pie chart to illustrate your current investment portfolio holdings in approximate percentages by category. Divide the figure into slices that represent the percentage of your total portfolio made up by different types of savings and investments, such as 30 percent cash deposit funds, 25 percent bonds, and 45 percent stocks.

Use the general categories presented in the workshop (cash-equivalent deposit accounts, bonds, stocks, mutual funds, ETFs) or label the pie slices in ways that better represent your savings and investment category types.



How do you feel about the mix and diversity of investment assets in your portfolio?



**Activity: Match Income to Expenditures**

**Directions**

Based on your expected retirement assets (aka retirement income) and expenses, match how you will use available funds to cover anticipated expenditures. Category samples are provided below. Cross out categories that don't apply and write in additional categories that do apply to your circumstances.

Draw a line to match a specific type of financial asset to a specific type of expense. (Some assets may support several expense categories.)

<u>Financial Asset Categories</u>	<u>Expense Categories</u>
Social Security retirement income	Auto loan payments
Annuity payouts	Classes
Pension payouts	Dining out
Rental income	Entertainment
Part-time employment	Gifts and charitable donations
Health Savings Accounts (HSAs)	Health care
Savings Account(s)	Insurance premiums
Certificate(s) of Deposit (CD)	Relocation
Brokerage Account(s)	Rent or mortgage
Mutual Fund Account(s)	Savings replenishment
401(k) / 403(b) Account	Taxes
Roth 401(k) / 403(b) Account	Travel
Tradition (non-Roth) IRA	Utilities
Roth IRA	
myRA	
Sale of property or business	



## **Activity: Drawing Down My Retirement Assets**

### Directions

Draft a systematic plan for how you intend to expend your savings and investments during retirement, aiming to have ample funds available for up to 30 years (or longer, depending on your anticipated life expectancy). Base your drawdown strategy on what you have learned in this workshop and the assets you anticipate that will be available during retirement. An example is provided.

When you have access to details of your specific accounts, fine-tune your plan with more accurate numbers. This is a time to consult with a trusted, qualified financial professional to help you decide how best to control the drawdown of assets to cover your forecasted expenditures.

Type of Account	Estimated Retirement Balance	Tax Implications (yes/no)	Expected Annual Drawdown Percent or Amount	Anticipated Average Growth Rate	Drawdown Priority or Sequence (early, later)
<i>Roth IRA [Company X]</i>	<i>\$150,000</i>	<i>no</i>	<i>3 %</i>	<i>5-8 %</i>	<i>later / last</i>



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**Activity: Questions for the Financial Advisor**

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Directions

Prepare a list of questions to ask when meeting with a financial advisor, planner or other professional regarding advice and guidance about your savings and investment strategy.

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Create a checklist to use when evaluating financial organizations and professionals as you decide where to go and whom to talk to for financial guidance.

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