

Comments about people's budget experience

depressing:
Only that it's important to do.
Hard. Income decreased and expenses increased. When working, items that were perks were now expenses. Furnished car, insurance reimbursement, etc.
It increased my comfort level once I looked at what I currently live on and what my needs will be after retirement.
no
no
We have tracked our fixed expenses for years. We paid off our mortgage 10 yrs ago. Our budgeting processes has always allowed a buffer. I've done the research of medical insurance and other expenses in different COL areas. We've been very honest with ourselves with what we'd like to have if spending money in retirement. We were also very disciplined with our retirement saving, as well as, living below our means for the last 20 years. (this is a second marriage for both of us, no children.) Tracking expenses is a good way to understand what you need, as well as, want.
Health insurance is a huge factor when you are under medicare age.
I couldn't find a calculator that allowed me to use both IRA and non-IRA assets after taxes to produce a viable cash flow.
I kept increasing my budget
Developed our own detailed spreadsheet showing all expenses and assets. Also worked with our Raymond James Financial Adviser who has a very sophisticated retirement financial modeling tool.
I am a couple years from full retirement, and included everything I could think of in the budget including title, taxes and the hair salon
I have not determined how much to budget for major expenses.
You could live better with no credit card debt.
Food prices have gone up therefore my initial budget for food was not accurate.
It was a great learning experience! It forces you to think about daily living and how you want to live in your retirement years. It helped clarify desires and wish-lists and look at them in a realistic and practical manner.
Make sure to add dollars for non-annual events like buying a car, repairing your home, buying appliances, etc.
Planning for higher medical cost and long term care expenses when retired than when working.
Very rough as we intend to move within a year or two at the most and numbers will change.
I would have sufficient income. My fear is when I quit working and have to rely on Medicare. My wife has been in most of her life. I would need a supplemental insurance. It depends a lot who gets elected president in 2016 whether I will retire .
Preparing a budget for retirement is simple. Your monthly expenses will be the same after you remove the transportation and from work, clothing expense for work and the lunches away from home. If your income in retirement cannot cover your monthly expenses, then you have to move to a smaller and cheaper location or move to a cheaper city or state. Another option is to work in retirement, to supplement your retirement income, if you are healthy enough.
N/a
Have been watching for quite some time. Nothing new.
live within your means.
A liability approach really helped me understand what I might need in retirement income
Process has been ongoing with fine tuning for past 5 years.
You will be wasting your time if you go to the trouble of tracking expenses, but are unwilling to live within your budget.
I was on Debtproof Living website for years and formed a spending plan during that time that I've kept up every year for years. It really helps and is not as hard as an actual budget.
Because my military retirement and social security benefits are indexed to a CPI that is substantially lower than actual rate of inflation—and has been for decades, I will not be able to completely retire as I had hoped. Only able to get part time work, therefore, projecting future needs and budgeting for them is extremely difficult. With a heart condition, I don't need extra stress, but that is precisely what is happening and I don't see that changing.
Have no debt and learn to invest your savings so hopefully it will increase.
Very hard to guesstimate expenses!!!
NO
It's only a suggestion.
It's only a suggestion.
Must be disciplined with entries, having a monthly spreadsheet helps
Moving to a new city and buying a house made it more complicated
No
I had and am still having difficulty coming up with good numbers for expenses in another location for several years in the future. I am not confident in those numbers.
Healthcare is a wild card. shopping for MedSupp now, do I buy Part D for Rx costs, or risk not having it since we are currently healthy with little prescriptions used.
moving to a "retirement" home or downsizing requires additional outlays for purchases on new furnishings etc for the new house, in addition painting the house and new carpets flooring etc
You should over-estimate health insurance.
You need to budget for unexpected things to happen. There is always something good to happen. You need a new appliance, a dental or medical expense happens, car issues. Build in home maintenance. What you did yourself before like painting or certain repairs you may not be able to do tomorrow and will have to hire someone.
We have to downsize our home or dip into savings earlier than projected.
Things keep changing!
It takes awhile being retired to get a good idea of real expenses. I am transitioning to full time RVing .
No, common sense really. I just identified all the necessary and discretionary expenses compared with our income sources.
Only that there are a lot of unexpected expenses.
Before I retired I listed all my current living expenses on a spreadsheet including forecasting future expenses such as home repair, domestic travel, etc. I multiplied all expenses by 4% to account for inflation, then added another 20% to the bottom line to be very conservative and absolutely sure my retirement income could cover those expenses. After retirement I was surprised to learn that we were living within an even greater margin of safety than I estimated. If you can minimize fixed expenses such as a home mortgage, auto loans, etc. and be very conservative as well as realistic in budgeting, you should be able to retire comfortably.
Be sure to include health insurance and taxes on the income.
We did extensive research into healthcare costs since we will retire many years before Medicare kicks in. We also determined our new tax bracket and it's impact.
Have to revisit often and adjust for changing life style over the years.
We began living on the retirement budget before we fully retired to see if we could do it. We came pretty close to living within the total budget the first year though we were a bit over. Hoped to meet that budget when we're both fully retired.
I've been keeping track of expenditures by detailed category for 12 years using Quicken. It was very helpful to have a track record of what we've been spending our money on—was a great starting point to use for a retirement budget.
What I learned was that it was easy to spend money on unnecessary items when the income was salary based with an expected continuation but very difficult to curb those spending habits once the income not only reduced, but became fixed. Setting up a budget let us see exactly where the money was going every month and helped us recognize and begin to control the bad habits we had been practicing.
Tough to set budget until you move and settle into new home.
Because Wife is Still Working & She's not Yet 62 We're Still Not Set On The Total Finances.
No
Had a Certified Financial Advisor run retirement #'s based on set figure to live on and have completed one budget a year ago but need to update.
Well worth the effort.
You will always end up spending more than you budget.
Wise to learn the difference between Needs and Wants.
It's going to be tough to maintain current lifestyle.
I tried but fail miserably.
daughter is helping me get it all on Quicken. I think I prefer the old fashioned pencil and paper way.
Don't forget to include monthly miscellaneous costs. Track them for a couple of months then figure an average cost. It's probably more than you think...
Estimates of expenses should not be conservative.
Keep it simple... "INS LIST & OUTS LIST"
How much we were spending and where we could cut back, changing cell phone plans, insurance, cable
No
don't underestimate healthcare insurance costs once post-employed!
Keep it simple. The budget keeps your spending in line.
No surprise that budgeting can only help with known factors. Impossible to estimate future costs when one does not know if assisted living or higher medical costs may need to be addressed
Whatever the figures are regarding health costs, double that for a true representation of expected costs.
It was a helpful process for us to sit down and communicate honestly about what was really important/essential and what was not in our lives.
You underestimate the amount of money you will really need in retirement.
To build my budget, I tracked my expenses in detail for 3 yrs ahead of retiring; has given me an excellent month by month target.
No mortgage payments is a must!
Everyone must come up with a long range plan with income and expenses.
I have more than enough to live on so don't need to budget
No
It is requirement if you want peace of mind.
I learned there are certain recreation expenses I cannot live without and for me those became - not discretionary - but fixed expenses that can always go up.
reality is different from the actual planning
I am fortunate enough not to have to worry about a budget and \$\$\$.
Two fold process. We inflated our "required" expenses which are those we pay on a monthly and/or annual basis for a sustained a basic life style and determined the budget. Though we are both fairly healthy we built in a fair amount for medical. In addition we looked forward 25 - 30 years adding in inflation to get as accurate picture as possible.
Once we established the budget for "required" expenses we added in "desired" expenses which are the extra curricular activities like dining, golf, gifts and travel. We then looked at the total budget and compared those results to our revenue to see how much we could really afford to do.
I put it together about two years before retiring this summer. I referred to it constantly- to the point I had it ingrained in my brain! It's a must do for retirement planning.
Got help because it can become overwhelming
How much money any couple really needs to live comfortable and not have to work part time... unless they really really want to.
[read long time] budget but was very unsure about how to anticipate medical expenses over and above health coverage so just took my best shot.
We were always fairly conservative with money, but only started tracking income/expenses when we retired - should have started it much earlier. It helped show us where our money was going, which let us determine if we thought we were spending it wisely. We didn't make any major changes, but felt better knowing.
1) State/Federal and Real estate taxes 2) living with fixed income and budgeting as many items 3) long term care process 4) living in a community
no
Felt a tremendous amount of pressure to get the data correct. Do we look at the expenses monthly or annually? For example, many times we pre-buy fuel oil in late summer for a discounted price. It is one large expense.
Net take-home was about the same. Just not saving as before.
Cut out anything that you deem frivolous spending.
I use a spreadsheet for tracking income and expenses. It's very useful to me in order to live within my budget.
lots of items to anticipate costing
Do not be rigid in your thought process. Nothing remains constant, be flexible.
I've been tracking our daily expenses to the penny for the past 12 years so I know exactly where the money goes.
Should have started earlier!
Without a budget I found I was impulse spending often buying items I really did not need
We averaged our annual expenses over the last 5 years.
we use Quicken, so we did an intelligent projection of current expenses, modified by expected changes - like no payroll tax or 401k deduction, and on the other side, increased vacation spending (changing to increased health care further in the future, I hope).
Won't know until I die, if I had enough. It's all a forecast or prediction. None of us know what we will need financially to outlive our money. But I'm saving and saving to get to a 'comfortable' number.
I will have to budget better. It is hard to anticipate health care expenses.
That we needed to downsize first before retiring to cut expenses.
Always an unexpected bill!
Harder to project than I thought it would be. While we seem to be in good shape, I am still uncertain.
I recently downsized cutting my monthly expenses in half. I moved from a single family home to a condo. While we made concessions, the move was well worth it. We have no mortgage and great freedom. Our pre-move budget projections were accurate.
I tried comparing where I live today, with where I would like to live in retirement, using Cost of Living sites.
Are living on much less than we thought
Building a budget pre retirement proved to be difficult at best. We retired in Alaska, then relocated to North Las Vegas, so juggling the time of the move, purchasing another and planning a relocation at the same time as we were trying to figure out the total of our income was a daunting task.
I learned that I won't have enough money to live the life to which I have grown accustomed.
Basically we started with current income and indicated changes, decreasing for 401k contributions, increasing for travel and medical, etc.
scary in light of the falling markets these past two weeks
I need to minimize my expenses.
Really just estimates until we get a year or two under our belts.
I am tracking every expense in my pre-retirement years to see how much I spend and will average it out over the next four years. I also had my financial advisor do a full projection to see if my plan for early retirement is reasonable. I learned that I am in a really good place to reach my goal.
How much coming in. How much I can spend on a monthly basis to live within our means.
Hard to estimate real reductions as we have just recently entered the realm of empty nesting. Too soon to tell if we got the budget right.
Live within your means all your working life and save 10% of EVERY paycheck. Buy affordable vehicles.
Be honest with what you spend each month. Don't forget things like manicures/pedicures and hair/salon visits.
They add up.
When one of us was unemployed, we stopped newspaper and magazine subscriptions and made coffee at home instead of buying a grande from the coffee shop. Every little bit adds up and helps. Found we didn't miss either.
The process was eye opening. I am doing a decent job of saving but found there were areas that I can cut expenses.
Difficult, but something that must be done.
be realistic
What can you do without to cut down monthly expenses .
Detailed long term historical budget helps prepare for future budgets, but cannot account for future medical expenses.
I worked with a financial planner, as well as used the website Mint.com to track my expenses, and I discovered I actually live on less than I thought.
took a lot of retries and recalculations to get it where I was comfortable
Used various apps to look at different models and sensitivities.
The challenge was to come up with appropriate life expectancy, inflation and tax rates.
I lived on what I thought my retirement pay would be for 18 months prior to retiring, helped getting a warm and fuzzy and really soaked away some extra savings.
Start at least 2 years ahead of time at the level of detail that you can commit to documenting every month. As you progress you can add more granularity.
Unknown costs for healthcare really make it difficult to prepare a budget. Costs for utilities, groceries, etc. are much easier to come up with an educated estimate
We've been using a budget to prepare for retirement for over 10 years
I have been retired for 8 yrs & still seem to be spending as if I was still working Obviously I need to be more conscious of establishing a budget since it is more difficult to travel to the U.S. considering what the Canadian \$ is worth & the wife & I are travelling to Fort Myers Beach for the month of Nov.
price will be going up every year it is scary.
Take into account inflation
I don't have a budget per se, but I do keep track of my monthly expenses.
It's something I need to do.
expenses are higher then thought
I started lowering my spending levels two years before I retire at age 66
Be as detailed as possible. Using Quicken to track expenses really helps
We have always lived below our means, we are already retired and still save money every month.
Areas that I could reduce expenses became clear
Need to make sure you take into account taxes raises and inflation
We're doing OK.
Health insurance is a big unknown.
You need to track expenditures for at least a year, two would be better, to get a decent feel for how much you spend. It's hard to budget when you don't have a good handle on expenditures.
I have been tracking expenses for several years and used actual expenses to develop a retirement spreadsheet.
I'm not sure how to budget for health insurance. I would like to retire at 62 but what kind and how much is health insurance?
Great exercise to have a conversation of where to live & what you'll be doing after retiring. Many assumptions had to be made.
It's hard to nail down not knowing how we will spend our time. We hope to travel a good bit so there's expenses that we don't have now.
Our children having been on their own and successful for a couple years before retirement at age 56, we knew our \$\$ needs were way less than they had been. Figured we would have enough from SS at 62 and immediate retirement bennies that our savings would take care of enough that we would not have to tap into principal. 16 years later, even with the sucky interest on bonds and the current market woes, plans hold steady. A successful retirement isn't rocket science. Save lots, save early. Have kids that can support you if necessary.
Really is scary what do I really need
no
Very difficult to project future needs.
keeps track of your average spending habits which allows you to adjust your expenses to your income
The budget has to be reviewed as one's health and age change and as the economy changes.
Its actually simple as many of our expenditures are known factors. As long as we have a set amount put aside for unknown, we have found it pretty easy to maintain. Also as you retire, your expenses are down compared with when we worked.
However in our case, as Canadians, the US dollar has impacted our budget and we are possibly looking at traveling in other countries other than the United States due to this impact.
plan for incredible raises yearly in health care costs
Put in a safety margin that you're comfortable with for price spikes.
There isn't a lot out there to help you figure a realistic budget
I have always done a bust; this was a continuation
expense are going up, income is going down
I use Quicken extensively and it makes financial matters much easier. It will prepare a budget based on ones history which can then be modified as necessary.
I learned that you always need more money than you have.
It should be an ongoing effort.
I know I am not going to have enough money and will probably have to live the last part of my life in poverty.
Fixed expenses are easy. Estimating the occasional or unexpected is not. For us, relocation costs is a big unknown.
What I have learned thus far is that I need lots more money than I thought.
I won't need as much money as I thought I would.
Hard to anticipate expenses if you are relocating.
Our original plan was based on spouse, eight years younger than I, to be employed and carrying health insurance. I did not figure for her not going on in her career. Health care is a HUGE expense to work into any future plan.
It's an excellent tool but of course you have to live by it!!!
Wild card is funds for healthcare. I'm healthy now but things could change quickly.
Because we are full time RVing and only been doing it about 3 months our budget is a work in progress.
Difficult. I first did a current budget and then tried the retirement budget but quickly got overwhelmed at all the unknowns like health insurance!
Make sure you budget enough for the things you want to do more of - travel, hobbies, etc. You can cut back on these amounts as you age.
The obvious goal is to end up with some dollars at the end of each month after all expenditures are accounted for.
no
We started tracking our expenses 2 1/2 years ago by creating an Excel spreadsheet. It is also an easy and accurate way to balance our checking account. By categorizing where the money goes, it is easier to see where you can cut your expenses on items that you're not using or don't need. Also you can separate those one-time extra expenses that are not typically part of your ongoing budget to predict how much you actually need to live on.
Fairly simple, income then expenses. Everything paid for except car and home. Spending more in retirement than when working.
Makes one review subscriptions signed up for which are not necessary, enabling a saving
Allowed for differences in expenses during the long retirement years.
Before retiring, we "established" a budget and then as a reality check, tracked our actual expenses against it. Where we were off, we made adjustments so that the budget was confirmed to be realistic.
It is very hard to guess on some things, like housing and taxes, because I am planning to move to the Florida or a similar state that doesn't tax the heck out of old people on a fixed income. I guess I will just set a maximum and hope for the best.
Many budget items we have now will either disappear or be reduced. Tough job guessing on some items. Suggestion is to miss on the high side if it's not sure of certain expenses.
I have no need for a budget at this time.
Think in today's dollars...not yesterday when budgeting your needs
Stick to the budget
I started preparing a budget of expenses and desired annual income 8 years before retiring in order to be able to adjust savings and investments to meet comfortable living goals.
Medical costs are always the unknown.
A bit tricky in that we will be cutting back on many areas and had to estimate the cut back effects. Tried to be liberal rather than paint an unrealistic picture and fool ourselves.
There's always something else you forgot to include - make sure you have a buffer
was unhappy surprised to see that SS will cover all our everyday expenses including food, cable & internet, taxes and insurance.
I simply have been tracking expenses for the past few years, several years pre-retirement. It has made me very aware of where my money is going. I am trying to make better choices so as not to waste money, e.g. buying things on sale, using coupons and not buying more "things" which I really don't need.
I've been recording my business and personal expenses in Quicken for years, so it was very easy to export my personal expenses to a spreadsheet and make changes to create my expected income and expenses for retirement.
It has to be broad and encompass other things as supplemental medical expenses. Medicare only covers so much. It also needs to cover the regulars like travel, but other less recurring items like car purchases. One has to look across what their expenses are from the past several years and assume those will continue later in life. Sure some things will slow down (i.e. travel after 80), but almost everything else plus some other things will increase.
Do not go to a reverse mortgage without your own accountant. I am back to a short term mortgage and probably will not see the end. Somewhat difficult.
It is always in flux. There is no static "budget" out there for anyone. The key is to always live beneath your means, always.
Have budgeted for last 20 years
It is incredibly dynamic process...moving target...better include the spouse!!!
It is a spreadsheet that is continuously updated by removing payments/deposits when they occur.
health care costs are really a big concern and question mark
Don't need nearly as much as I thought we would. Back out expenses/contributions that will not be valid after retirement to normalize comparison.
I am a state employee and we have easy retirement estimate calculator online. I plugged in different retirement ages and final salary. I also have a pension from my former law firm. Social Security Administration emails annual projection of SS payments. Added them all up and it is more than my current salary!
It took some time to go over all the variables and possible scenarios. It was worth it to get a more accurate budget so that surprises would be minor and kept to a minimum.
I have rough idea, and lots of options to stay solvent
Can never have enough with health insurance costs, etc.
Establish our specific budget based on projected income including downsizing with the purchase of a home that fit within that specific budget. Completing all major projects we want to accomplish before retirement in 3 years (at 66). Ensuring some savings after retirement for emergencies. No major purchases will be financed that can not be paid in full prior to retirement.
Its difficult to know how much one will need when the time comes
no
I learned I have to cut extras out of the budget.
No wishful thinking - deal with the facts
It was a challenge to capture all of the cash spending we do.
no
Make sure you have an adequate "rainy day" fund.
I would highly recommend this exercise. I track my expenses daily, and update my budget 5 years out on an ongoing basis. I know exactly where my money is going, and that helps me make decisions when faced with looking around different priorities such as things I want to do versus things I have to do.
So far just working on my potential income, not sure what expenses will be yet.
Saw a complimentary wealth management professional
not at this time
We plan to find the least expensive home in a retirement community in AZ with lowest possible HOA fees. We have about 5 years left before we can collect soc sec and my husband's pension, so we don't have a budget yet. We hope to be able to live on SS and pension and only draw on our 401ks for travel and emergencies.
I already completed this survey from my Android smartphone, and your website allowed my input. However, I cannot post any comments using my smartphone. I was always able to post from my ipad and desktop, but I don't have an Internet connection while we are in relocation mode.
Thanks, you look into this, as I would like to post occasionally.
no
Caps
Just confirmed what we thought going in. Guess we already had a good handle on it.
It is a living budget which needs to be updated quarterly
Get several different spreadsheets from different financial institutions. Then follow the most realistic plan for you and your situation, and the agent you feel most comfortable working with. We asked for advice from at least 5 different firms.
Important to track pre-retirement costs for several years to help predict retirement expenses.
I don't have a "timing" budget. I have now seven years of spending history that tells me what our lifestyle and cost of living are. Based on this information, I can determine whether we can proceed on this expenditure path and where to cut back if necessary.
Many unexpected things have changed my budget.
That I can not fully retire yet!
Its hard to stick to it!
My budget is done in Excel out to 2034 when I will be 80. I have a separate worksheet in Excel showing annual income out to age 100, a worksheet showing life insurance, and worksheets showing income and expenses if either I or my wife dies. The key is to live within your budget.
The budgeting part is easy; living within it is not.
Be honest with yourself. Include cash reserves for health care, car and house repairs. (co-pays and minimum payments can be steep)
No debt - House, cars and RV all paid for. No credit card debt. Both kids are grown and self sufficient. Plan for property/school taxes, minimum healthcare payments, etc.
Estimated based on current expenses.
numbers can fluctuate
No.
Simple; How much cash came into the household vs how much went out. Adjusted if outflow went into savings/investments.
Does not have to be overly detailed or elaborate!
I was surprised at the difference between what I NEEDED each month and what I spent prior to retiring!
We set our budget and followed it for a year before we both retired. It worked well. Biggest shock was going from a state that had no income tax to a state that taxed both pensions and social security.
Never had a budget.
We need our full current income to pay our mortgage.
For years I've kept a monthly spread sheet for bill paying and just took an average of our expenditures. I was amazed how easy it was to calculate & document our "budget". The numbers were all there, so no guesswork was involved.
I actually prepared my budget prior to retiring to DETERMINE IF I had sufficient income based on projected amounts to retire.
start at least 2 years before you retire. Keep track of EVERYTHING. Be prepared for the costs to go up; renovate house, travel, new vehicle, etc.
We had a model provided by our financial advisor (Fidelity).
Made sure going into retirement we had no balances on credit cards. So when we purchase things with a credit card we pay it off at the end of each month so it is like buying with cash. Content with most things we have so we do not impulse buy things.
I tracked spending for several years before retiring so had a pretty good idea what we would spend
We put one together for our financial advisor with current budget and assumed retirement budget. We have just begun the process of analyzing the numbers.
We are in a little heavy on insurance premiums.
We have worked with a lot of numbers but don't have a monthly budget on paper (I do a lot of stuff like this in my head... pay all the bills, do the grocery shopping, etc.)
We started a couple years before retiring to live on our anticipated retirement income. We tracked a year of every expense (collecting all receipts) to create a starting budget. I established a budget spreadsheet which I improved over the first few years to include an outlook for 30+ years. 12 years after retirement, we continue to track all expenses (easy once the habit is in place) and track the budget several times a year. It has been very helpful for our planning, meeting unexpected expenses and our peace of mind as we chose to retire early with only a minimum secure income (now satisfactorily grown with investments). My spreadsheet results correlate very well with on-line retirement tool results.
Hard to plan for unforeseen expenses!
Budgets can be a moving target as expenses are. Revisit your budget and modify where needed. Also, always remember to pay yourself as part of the budget. Stock an amount away or invest if every pay period if possible. If there are multiple debts, focus on paying the highest interest debt first. Pay minimum amounts on the rest until that first debt is paid off, then move on to the next highest one.
Needs to be fairly detailed and I was surprised how little was really needed for our fixed expenses.
It seems like you are always going to spend more than you think.
I found that I will probably need more money when I retire in order to pay extra medical (probably) and travel and other interests.
Preretirement; Took 2 years of actual expenses, developed a retirement budget based on expected changes after retirement (e.g., downsized home mortgage is lower). Compare budget vs actuals every month and adjust as needed. Working well so far ... 14 months into retirement.
Mint keeps a good record of CC expenses
We budgeted for several years before retirement to review our spending habits. Proved invaluable when we actually retired. Still to this day (13 years later) we keep the same monthly budget and total at the end of each year to see where our money goes. So far we have rarely touched our investments and live off of pensions and social security.
Easy, because we are debt free including the house.
Very hard to get actual numbers from people living in target areas. I don't know why they're so secretive about medical insurance costs, insurance etc. Seems like someone could just provide round numbers (a \$200k house would be ...) based on percentages rounded up or down, without providing specific info.
What you will be paying (if anything) on housing is one of the biggest factors in budgeting.
The unpredictability of health insurance costs, as well as medical and prescription costs, are all significant hurdles for planning a budget.
Creating a budget is easy if you keep fewer categories.
things seem to go up every day...what is the use?
Not sure about expenses yet. Some things will be gone/paid off by then, don't know what new house will cost when we relocate. But, I do know what my potential income will/can be.
I realized our expenses.
Hard that based on my lifestyle, I'll actually have more disposable income in retirement than I do now. This is because once I cut my work expenses, even with healthcare expenses, I'll be spending less money after retirement.
I need to stick to it and hopefully, everything will be fine. It includes a "rainy day fund" - it should be enough to cover unexpected expenses.
I kept track of all my expenses and income when I first retired. Found I had sufficient money and quit worrying about it. Took too much time.
Our life style did not change much because we never spent a lot but we saved a lot. We haven't paid interest on a credit card in 40 years.
Not relevant, as have no budget.
Much research on health care costs.
No. I stopped budgeting home activities after about 5 years of marriage when we "learned" how-to-live financially from our 5 years of infinitely detailed budgeting even to the extent of placing budget money into tins to control spending AND savings!
I did this long before I actually stopped work.
Watch out for the "shark attacks".
yes, having a spread sheet showing ALL bills, and ALL income, helps me to keep track of available cash for the month. two of my "bills" are savings for emergencies and vacation. That way I do those things.
Medical costs were more than I had imagined they would be.
I used the retirement planning at the Fidelity website and it was very valuable in this area.
Our budget is based on the Federal Guidelines for a 2 person household on Obamacare. The most we can make for a 2 person household is \$63,720 to qualify for the subsidy. Our insurance would be \$1,506.15 without the \$1011.00 subsidy. With Subsidy we pay \$495.15 per month. So we are being careful to stay below \$63,720 per year. We have had to dip into savings which is not considered 'income'. We have to have to continue this strategy for 3 years until I am eligible for Medicare. Spouse will be eligible about 1 1/2 years but we still have to keep household income at that rate even with only one on Obamacare.
Update it monthly and with exceptional events as they occur.
We spend more money then we bring in
It's easy to plan on reducing living expenses post retirement, only time tell if we are able to tolerate living more modestly. It's more difficult to accurately plan expenses like entertainment, eating out and recreation when we've not nailed down our retirement location.
Yes, easy to miss items, like unusual insurance payments, one time expenses, underestimating medical and LTC.
Few needed to increase our budget for health care premiums, co pays, and budget for the " donut hole". Did not know that the donut hole is calculated on the retail price of prescriptions not what we pay.
start with the pre-retirement budget, keep the monthly recurring expenses, eliminate monthly commuting, clothing, lunches and expenses associated with work. What's left is your retirement budget. If the retirement budget is larger than your pension, social security and investment income, then you have to move to a cheaper place.
When comparing owning a single family home vs a condo vs renting ... it is amazing how much of monthly expenses go to having a car or your car head ... do not forget all the little things like pest control, cleaning gutters, tools purchased, etc. and don't forget YOUR time!
It is one thing to plan for relatively fixed expenses. Quite another to anticipate emergencies.