

Name:

Date:

# The Expense Funding Organizer™

## 1 Annual Retirement

**Spending Goal = \$ \_\_\_\_\_**

$$\begin{array}{r} \$ \text{ _____} \\ \text{Goal} \end{array} = \begin{array}{r} \text{_____} \\ \text{SS \& Pension} \\ \text{Income} \end{array} + \begin{array}{r} \text{_____} \\ \text{After-tax} \\ \text{Investment Income} \end{array}$$

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\$ \_\_\_\_\_ % 4

\$ \_\_\_\_\_ % 12

= \$ \_\_\_\_\_ /qtr

= \$ \_\_\_\_\_ /mth

The goal of a prudent income plan is to match your investment account withdrawals to your target cash flow plan as illustrated by your **Retirement Spending Analysis™**. Compare your withdrawal rate to acceptable benchmarks. After negative market and performance years, decrease the current year's withdrawal by 10 percent if the withdrawal rate has risen more than 20 percent. After positive market and performance years, increase the withdrawal by 10 percent if the withdrawal rate has fallen by more than 20 percent.

Remember the importance of maintaining emergency cash or cash equivalents for 6-12 months of expenses. Replenish the fund if needed when withdrawal rates won't be negatively affected.

## 2 Retirement Spending Analysis™ Annual

**Pre-Tax Withdrawal Target =**

**\$ \_\_\_\_\_ or \_\_\_\_\_ %**

**Actual Withdrawal Amount =**

**\$ \_\_\_\_\_ or \_\_\_\_\_ %**

**Target Should be 4.5% to 5.6%**

Investment Policy Statement Benchmarks:

Conservative = 4.5% or less

Moderate = 5.2% or less

Growth = 5.6% or less

## 3 Tax Withholding

Federal Effective Tax Rate

Estimate = \_\_\_\_\_ %

= \$ \_\_\_\_\_

State Effective Tax Rate

Estimate = \_\_\_\_\_ %

= \$ \_\_\_\_\_

Net Investment Income

Target = \$ \_\_\_\_\_

References:

'Decision Rules and Maximum Initial Withdrawal Rates' by Jonathan T. Guyton, CFP® and William J. Klinger, Journal of Financial Planning, March 2006

'Sustainable Retirement Withdrawals' by Ahmet Tezel, Ph.D. Journal of Financial Planning, July 2004

Client(s) Initials: \_\_\_\_\_