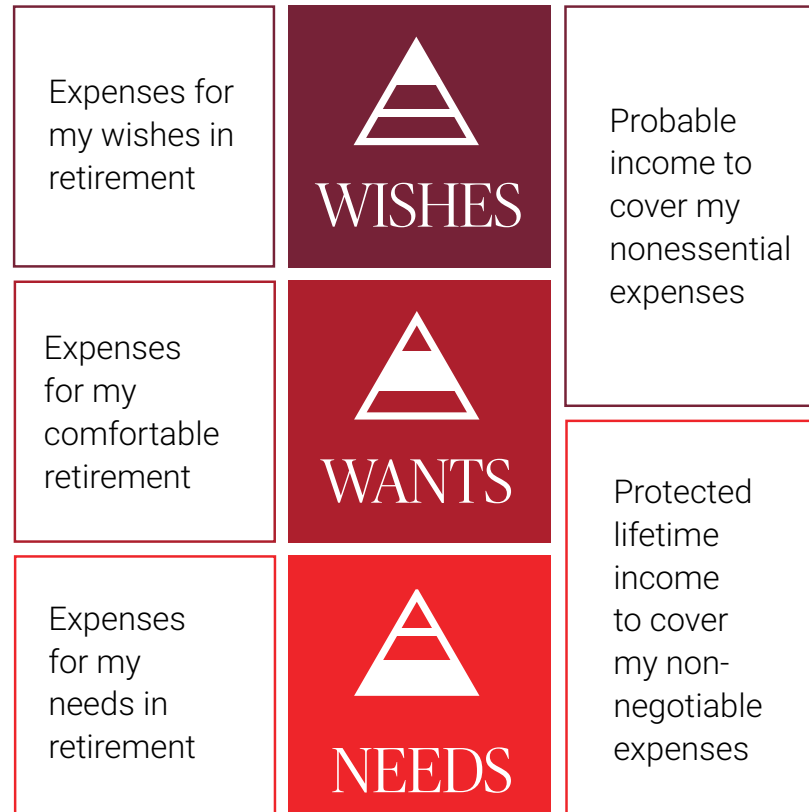


What are you saving for in retirement?

The spending hierarchy worksheet...designed for a better retirement income plan

Consider protected income from an annuity, which can be combined with Social Security or a pension to help generate income that covers your essential monthly expenses. That gives you the freedom to use your savings and investments for “extras” like travel, spoiling the grandkids, or doing whatever you’ve wanted to do in retirement.





3 Steps to a better retirement income plan

This worksheet is designed to help you organize your thoughts as you develop your retirement income plan. Consider such vital questions as: How will you spend your money? How will you prioritize your expenses? How will you fund them? When thoughts are organized and written down, you can likely collaborate more productively with your professional as you work to develop a successful retirement income plan.

Step 1: SELECT

Circle those expenses from the list you anticipate in your retirement. Our list of 62 ideas is not complete, so also feel free to write in your own.

Step 2: SORT

Organize everything you circled in step 1 into “needs, wants and wishes” using the pyramid provided.

- List your needs — or your “non-negotiables” — at the bottom of the pyramid.
- List your wants — or your “comfort money” — in the middle tier.
- Finally, list your wishes — or your “dream money” — at the top.

Step 3: SYNC

Now that you’ve prioritized your expenses by “needs, wants and wishes,” work with your professional to sync your income sources with your spending hierarchy.

If you have a gap in protected income, ask them if an annuity is right for you.

Your spending hierarchy



Empty box for listing wishes.



Empty box for listing wants.



Empty box for listing needs.

How today's retirees are spending their money

These are some common expenses of retirees. Circle those expenses that you would like to plan for, and do add any expenses not included in the list.



Housing

- Mortgage
- Maintenance, repairs and renovations
- Homeowners' /rental insurance
- Lawn, home and cleaning services



Health care

- Health insurance
- Out-of-pocket medical bill
- Elective care



Personal

- Clothing
- Shoe budget
- Hair



Utilities

- Phone
- Cable
- Municipal
- Gas and electric



Taxes

- Property
- Income and capitol gains
- Sales



“What-ifs”

- Parent care
- Boomerang children
- Tax hikes
- Inflation and cost-of-living increases
- Uncovered or uninsured losses
- Lawsuits
- Medical emergencies



Food

- Groceries
- Eat well, eat out
- Premium coffees / teas



Transportation

- Automobiles
- Insurance
- Public transportation



Family

- Visit children and grand-children, wherever they are
- Fund (a portion of) the grandkids' education
- Family vacations
- Holiday/birthday gifts
- Pet care
- Visit long-lost relatives



Memberships, dues and tuitions

- Country club
- Fitness center
- Lessons
- Leagues
- Back to school for what interests you



Change

- Move to a retirement-friendly place
- Build your dream house
- Fund the start of a new career/ business
- Build a prototype and invent something



Entertainment

- Hobbies to fill your days
- Tickets for shows, sports and theater



Bucket List

- Take a cruise
- Tour wilderness
- Hike the national parks
- Take an extended vacation
- Tour America in a motorhome
- Sporting events, such as the Super Bowl, Olympics, US Open or the World Series
- Invest in art or collectibles
- Visit the home where you once lived
- "Big-ticket" hobby—boat, car, collectible



Charitable giving

- Making a difference with substantial donations
- Sponsoring someone in need
- Fund a trust
- Establish a foundation
- Host an exchange student
- Travel to those who need help with church groups or mission trips



Now that you've prioritized your retirement spending, you're ready to talk with a financial professional about a plan for retirement income. Ask them if adding a source of protected lifetime income will help you stay on track for the retirement you want.

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Not guaranteed by any bank or savings association
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