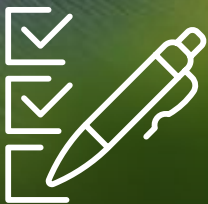




AMERICAN EQUITY
INVESTMENT LIFE INSURANCE COMPANY®



Three steps to creating a retirement income plan

How do you want to spend your money?

Retirement expenses worksheet

An important part of the retirement income planning process is to organize thoughts around your cash flow needs and whether or not the spending is essential or non-essential.

A good place to start with this approach, is by running your finances through an income hierarchy chart. This can help map out the different expenses you might expect (as well as those you may not) throughout retirement. For each tier of the income hierarchy, itemize your list and ballpark your expenses.

Step 1 | Choose

Choose the expenses you anticipate in retirement. We've started a list of common retirement expenses that you can add on to here.

Housing

- 01 Mortgage
- 02 Maintenance, repairs, and renovations
- 03 Homeowners / rental insurance
- 04 Lawn, home, and cleaning services

Transportation

- 05 Day-to-day car
- 06 Additional car
- 07 Recreational
- 08 Public transportation
- 09 Travel

Food

- 10 Groceries
- 11 Eat well, eat out
- 12 Premium coffees / teas

Health care

- 13 Out of pocket
- 14 Elective care
- 15 Unexpected events
- 16 Family health

Taxes

- 17 Property
- 18 Income and capital gains
- 19 Sales transportation
- 20 Automobiles
- 21 Insurance
- 22 Public transportation

Personal

- 23 Clothing
- 24 Shoe budget
- 25 Hair

Unexpected expenses

- 26 Parent and elder care
- 27 Boomerang children
- 28 Grandchildren care
- 29 Cost of living increases
- 30 Lawsuits
- 31 Uninsured losses

Family

- 32 Visit children and grandchildren, wherever they are
- 33 Fund (a portion of) the grandkids' education

- 34 Family vacations

- 35 Holiday / birthday gifts

- 36 Pet care

- 37 Visit long-lost relatives

Interests and hobbies

- 38 Continued education
- 39 Lessons
- 40 Country club
- 41 Gyms
- 42 Leagues

Change

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

Entertainment

- 47 Theatre
- 48 Movies
- 49 Streaming
- 50 Subscriptions
- 51 Concerts

Bucket list

- 52 Globetrot
- 53 Cruise the open waters
- 54 Extended vacation stays
- 55 Big ticket item: dream vehicle, dream gift
- 56 Rare collection

Charitable giving

- 57 Making a difference with substantial donations
- 58 Sponsoring someone in need
- 59 Fund a trust
- 60 Establish a foundation

Other expenses

- A _____
- B _____
- C _____
- D _____
- E _____
- F _____
- G _____
- H _____
- I _____
- J _____

Step 2 | Categorize

Organize your expenses into four tiers: essential, essential lifestyle, nice-to-have, and wishes.

1 | Essential expenses: Non-negotiable expenses like mortgage, utilities, insurance premiums, etc.

2 | Essential lifestyle expenses: Expenses you could do without, but are very important to your retirement lifestyle.

3 | Nice-to-have lifestyle expenses: Spending that you would feel comfortable going without if you had to.

4 | Wishes: If you suddenly had a windfall, what would you spend it on?



Step 3 | Combine

Work with your financial professional to align your prioritized expenses with your expected income sources.



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