

# Financial Needs Assessment

Before visiting a lot of various communities, decide how much you can afford. If you are not sure of your numbers, please talk with your accountant.

Look at the expenses you pay each month in each of these categories. Write down your monthly income. With many of the facilities providing meals, maintenance, cable TV, property taxes, housekeeping services, you may find that the monthly expenditure to be less than you are currently paying. However, write it down so that you are sure. You do not want to set your heart on one place or move into one place, only to discover that you can't afford it after a short amount of time.

Monthly Income from:

Social Security \_\_\_\_\_

IRA/Roth IRA/401K etc \_\_\_\_\_

Pensions \_\_\_\_\_

Rent/other income \_\_\_\_\_

Total Monthly income: \_\_\_\_\_

Monthly Expenses:

Monthly rent/mortgage/condo HOA fee \_\_\_\_\_

Utilities

Water \_\_\_\_\_

Gas (heating/ AC) \_\_\_\_\_

Electric \_\_\_\_\_

Basic cable TV services/internet fees \_\_\_\_\_

Telephone (include long distance) \_\_\_\_\_

Routine cleaning service \_\_\_\_\_

**Lawn/yard maintenance/snow removal** \_\_\_\_\_

**Special cleaning (window washing/deck)** \_\_\_\_\_

**Home upkeep (roof, furnace, gutter cleaning,**

**Etc. average monthly amount from last 5  
Years.** \_\_\_\_\_

**Food (50%-60% of your average grocery bill)** \_\_\_\_\_

**Property taxes (divide by 12)** \_\_\_\_\_

**Security System** \_\_\_\_\_

**Insurance (homeowners)** \_\_\_\_\_

**Medical Insurance** \_\_\_\_\_

**Out of pocket medical expenses** \_\_\_\_\_

**Clothing allowance** \_\_\_\_\_

**Gifts** \_\_\_\_\_

**Personal items: haircuts/  
Salon/manicures/pedicure/  
Etc.** \_\_\_\_\_  
\_\_\_\_\_

**Other expenses:** \_\_\_\_\_

**Total Monthly Expenses:** \_\_\_\_\_

# Can I Afford to Live Here?

Now you will figure out what you can afford.

Take the total from your monthly expense's column.  
Subtract expenses that would go away if you moved.

		_____
Monthly Rent:	(-)	_____
Utilities	(-)	_____
Routine cleaning	(-)	_____
Lawn, yard maintenance	(-)	_____
Pool expenses	(-)	_____
Reduced grocery (50% or so)	(-)	_____
Home upkeep (roof, a/c, repairs)	(-)	_____
Special cleaning (windows etc)	(-)	_____
Homeowners insurance	(-)	_____
Property taxes	(-)	_____
Other	(-)	_____
<b>Total</b>	<b>(=)</b>	_____

This is how much money you would have each month to put towards you next living situation.

# How Long Will My Money Last?

Here is an example for you to use. You will have to fill in your own numbers to see what happens.

Betty sells her home for \$600,000. She pays off a mortgage of \$100,000. Which leaves her \$500,000.

The independent living situation that she thinks she would like to live in costs \$5,000. A month. Can she afford it?

Cost each month \$5,000.

Subtract the amount from the total from the previous page (-) \_\_\_\_\_

This is the amount you would need to make up \_\_\_\_\_

Now, let's say that you need to make up \$2,000 a month difference.

Multiply that by 12 (12 months in a year) would be \$24,000. A year.

If you divide \$500,000 by \$24,000, your money will last 20.83 years. Of course, this is a very simplistic example that doesn't include increases in prices and other things, but it will give you a start.

I always recommend talking with your accountant, financial advisor and lawyer before making important decisions.