

Living Expenses in Retirement

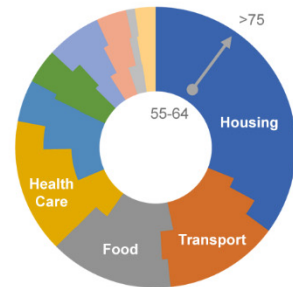
Inflation has a big impact on how much you should expect to spend in your retirement years.

For Your Information...

Average Household Benefits & Expenditures by Age, 2017

Social Security Income	55-64	65-74	>75
Pre-Tax Annual Benefits	\$ 8,185	24,400	25,057
Annual Expenditures	55-64	65-74	>75
■ Housing	20,127	18,068	14,692
■ Transportation	10,185	8,939	5,519
■ Food	8,514	7,360	5,960
■ Healthcare	5,777	6,723	6,475
■ Insurance & Pensions	8,705	4,091	2,020
■ Entertainment	3,444	3,327	1,657
■ Contributions	2,357	2,275	2,648
■ Apparel, Personal Care, Services	2,470	2,146	1,458
■ Reading & Education	1,763	613	426
■ Other	1,632	1,453	995
	\$ 64,974	54,995	41,850

Expenditure Percentages by Age



Source: US Bureau of Labor Statistics
2017 Consumer Expenditures Survey

Average adults (>18 yrs) per household:
2.0 (55-64), 1.8 (65-74), 1.6 (>75)

Inflation impact illustrated at the Federal Reserve's current 2% target rate

Impact of Inflation

(Projected Value of \$54,995 in 2017 at Future Retirement Years)

2030	2035	2040	2045	2050	2055	2060
71,142	78,546	86,722	95,748	105,713	116,716	128,864



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How much do you need to save for retirement? There are many models for retirement planning, but they all revolve around the question of how much you should plan to spend every year once retired. An interesting perspective is to consider what retirees are, on average, spending today.

The Department of Labor and the Census Bureau team up every 3 years to produce the Consumer Spending Survey. Be careful planning based on today's average, though! Even a small amount of inflation makes a big difference in future spending levels, especially for younger investors.

Bellwether Consulting is an independent investment advisor serving the needs of retirement plan sponsors and other institutional investors.

For more information please have a look at our website at www.bellwetherconsulting.net, or call us at (646) 205-9346.