

**Income Gap Assessment**

Client(s) Name:

Date:

Client Name	Source	Amount	Multiplied by (to total one year)	Annual Total
<b>Income Lost in Retirement (Current Net Income Amount Deposited into Checking)</b>				
Annual Income Loss				(\$

**Income Gained in Retirement (Gross Social Security/Pensions)**


# INCOME GAP ASSESSMENT

**The Number One Tool Advisors  
Need to Save Time and Guarantee  
Client Income in Retirement**

**\*(Annual Income Gap) or Excess Cash Flow Total**

*How much of this income gap would you want guaranteed in your financial plan?*

Insert total + \$  
Insert total (-) (\$  
%  
OR  
\$



# INCOME GAP ASSESSMENT

The Number One Tool Advisors Need to Save Time and Guarantee Client Income in Retirement

There is one thing your clients absolutely do not want to do, and that is sit in your office while you go through the entirety of the budgeting process with them. What if there was a quick and easy documented way of assessing whether your clients have an income gap or excess cash flow? With the Income Gap Assessment, you will be able to discuss the overall financial plan with your clients and determine ways to guarantee their income in retirement.

C2P Enterprises created the Income Gap Assessment to help you cut down on the time you spend with each client. This single resource will allow you to skip the long, drawn-out budgeting process in your meetings and get right to the important stuff, saving you an immeasurable amount of time.

You will find a free copy of the Income Gap Assessment at the end of this guide.

The purpose of the Income Gap Assessment exercise is to determine the gap between the net income a client is currently living on while working and the fixed income sources they will have after retirement.

It is based on a consumption methodology of budgeting and will provide an accurate amount that they will need to draw off their liquid investible assets once they retire. This assessment is particularly useful and efficient for clients and prospects who will be retiring in fewer than ten years.

There are four sections needed to complete the Income Gap Assessment.

1. **Income Lost in Retirement**
2. **Income Gained in Retirement**
3. **Increased Expenses in Retirement**
4. **Decreased Expenses in Retirement**



## 1 INCOME LOST IN RETIREMENT

The first section is where you log the client's net income after taxes.

This is the current amount being deposited into checking from salary, wages, and other sources of income pre-retirement. You want to determine the difference between their annual bring-home salary and their yearly living expenses.

After you calculate the annual net income, ask the client to choose which of the following scenarios most closely applies to them:

1. **You are breaking even and consuming all your net income.**
2. **You are managing to save money by consuming less than your net income.**
3. **You are losing money and going into debt.**

## 2 INCOME GAINED IN RETIREMENT

The second section focuses on income gained after retirement. Between Social Security and pensions, what will their fixed income be once they are no longer earning a paycheck?

For Social Security optimization, clients may delay one or both of their

benefits. This will leave a larger income gap for a short period of time. In these cases, consider conducting multiple Income Gap Assessments for the different time periods to get an accurate picture of their cash flow throughout retirement.

Another option is to do one Income Gap Assessment as if all fixed income sources are activated, and then determine the amount of assets you would need to set aside to cover the bridge needed to make up for the delayed income.

## 3 INCREASES IN EXPENSES IN RETIREMENT

Anything that might affect retirement income should be listed here.

Ask your clients about potential increases from things like—income tax increases, health insurance premiums, increased travel expenses, etc.

## 4 DECREASES IN EXPENSES IN RETIREMENT

Next, you should log all major expenses that will decrease after they retire. Will they pay off a loan or mortgage? How much do they have in their savings account?

With these three figures, you can then derive the income gap that will need to be taken from liquid investable assets in retirement:

$$\text{NET INCOME NEED} - \text{FIXED INCOME} - \text{ADJUSTMENTS} = \text{TOTAL INCOME GAP}$$

Once you have this final number, you'll know if the client has an annual surplus or deficit for their retirement. If there is an income surplus, they will have excess cash flow. Knowing this will allow you to act more strategically with their holistic plan.

The Income Gap Assessment is a viable tool to determine what kind of situation your client may find themselves in once they retire. If you determine the client has an income gap, you should ask them the following question.

*"How much of this income gap do you want to be guaranteed in your financial plan?"*

This will serve as a basis for their total income needed in retirement and create an educational opportunity for you to show them the various ways you can guarantee their income once they retire.

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### THE BUCKET PLAN® BEST INTEREST PROCESS

The Income Gap Assessment is just one tool in a series of resources and assets found in The Bucket Plan® Best Interest Process.

The Bucket Plan® Best Interest Process is a proven, turnkey financial planning process for holistically gathering data, documenting findings, and delivering asset-positioning strategies in your clients' best interest. It has been defined, refined, and tested, and it can be easily replicated for a business of any size.

“The Bucket Plan takes the complicated retirement decisions that must be made and simplifies them into a process that is understandable for the client and documents every step. Priceless.”

- Jeff Vogel, President & Founder, Capital Financial Group



Download your copy of the Income Gap Assessment tool here!

To learn more about The Bucket Plan® Best Interest Process and our holistic planning tools and processes, schedule a [complimentary call](#) with one of our business development partners.



### ABOUT C2P ENTERPRISES

C2P Enterprises is a holding company comprised of four distinct brands, each designed to educate, train, grow, and support holistic financial advisors. United by the vision to provide planning and financial products and solutions in the best interest of the client, each company offers education, training, resources and tools to meet a client's unique financial situation, along with access to an array of investment and insurance vehicles to help accomplish

their goals. Each organization is committed to fiduciary best interest practices and raising industry standards for a higher quality of holistic financial planning services to families nation and worldwide.

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