



Buzz, Body & Bites

A newsletter for actively aging adults
Virginia Cooperative Extension Family & Consumer Sciences
February 2023

Wise Moves for Living Well on a Fixed Income

Retirement is a goal for most people, a time to focus on family, friends, and activities postponed due to work commitments. For many, however, there isn't as much money coming in as before so it's important to keep close track of income and expenses (i.e. fixed, flexible and periodic expenses). Fixed expenses are those that generally cost the same each month, such as rent/mortgage, utilities, and medicine. Flexible expenses are ones that are non-essential and can be reduced or eliminated, such as entertainment or travel. Periodic expenses occur irregularly, such as quarterly or yearly, instead of monthly. This doesn't mean you can't enjoy your retirement, you just have to be a little wiser with your money. Creating a budget that includes all three types of expenses is recommended.

Keep a few things in mind when making your budget to be sure you live within your means:

- According to the Bureau of Labor Statistics, adults 65 years and older spend most of their money each month on housing (~\$1,572), followed by transportation (\$600), healthcare (\$585), food (\$540), and entertainment (\$241).
- When making your budget, consider how your spending plan will change: Typically, housing costs will decrease if you pay off your mortgage. When you stop working, you won't have work-related expenses, and income taxes will also decrease.
- Your medical and dental expenses will increase, and your health insurance (if you retire before 65) will have a higher premium until Medicare is available. Over time your savings may also decrease depending on how you use them.
- Discretionary spending tends to be higher in the early years of retirement as people spend more on travel, fitness, and entertainment. To help, some people create extra discretionary income so they have more money to use once fixed living expenses are paid.

Once you have made your budget, you have to stick with it. Watch out for budget busters! These are small spur-of-the-moment purchases that add up over time, such as buying extra items not on the grocery list or splurging on presents for the grandchildren.

Keep track of your spending to catch extra discretionary spending before it gets out of hand. This can be as simple as keeping your receipts and calculating your expenditures monthly. There are several budgeting apps that one can use as well.

Finally, it is always good practice to economize. Take advantage of discounts! There are several discounts available for seniors, from movies, to theater tickets, and public transportation. Be sure to look into property tax breaks for older adults, and choose the most economical cable, telephone, and internet packages.

Contributed by Aisha Salazar, Virginia Cooperative Extension Agent, Arlington, VA

Steps to Making a Budget

Planning for your expenditures is important to be able to live well during retirement on a fixed income. Do this by making a budget.

Step 1:

Make a list of all of your sources of family income. Be sure to account for federal and state taxes.

Step 2:

Make a list of your fixed expenses. These are expenses that you must pay or face dire consequences. Include rent/mortgage, utilities, health insurance, car loans and car insurance, groceries, cable/internet subscriptions, and medicine. Don't forget expenses that may occur periodically, such as home insurance.

If these expenses exceed your income, you will need to consider strategies for reducing the cost of some of these items.

Step 3:

Now calculate your flexible spending. These are expenditures that you can adjust, such as eating out, gasoline, clothing, furniture, and others. If you want to travel during retirement, this should be budgeted in this category.

Check out the AARP budget tool to help you with these steps. (See Resources)

Stone Soup

This recipe is named after the folk story of a hungry stranger who brings people together to share their food to make a soup everyone could enjoy. Share this delicious soup with friends and family on a cold night.

Source: tasteofhome.com

Ingredients (Makes 12 servings):

- 4 cans (14-1/2 ounces each) chicken broth (or make your own broth)
- 4 medium red potatoes, cut into eighths
- 1 yellow summer squash, chopped
- 2 medium carrots, chopped
- 1 medium onion, chopped
- 2 celery ribs, chopped
- 1 teaspoon dried thyme
- 4 cups cubed cooked chicken
- 1 cup frozen cut green beans
- 1/2 cup quick-cooking barley
- 1 can (14-1/2 ounces) diced tomatoes, undrained
- 4 cups salad croutons
- 1 cup shredded Parmesan cheese

Instructions:

1. In a Dutch oven, combine the first eight ingredients. Bring to a boil. Reduce heat; cover and simmer until vegetables are crisp-tender, 10-15 minutes.
2. Stir in the chicken, beans and barley. Bring to a boil. Reduce heat; cover and simmer until vegetables and barley are tender, 10-12 minutes. Add tomatoes; heat through. Serve with croutons and cheese.

Achieving the Physical Activity Guidelines: Goal Setting

Setting S.M.A.R.T. (Specific, Measurable, Achievable, Realistic, Timely) goals can help you work towards achieving the fitness guidelines. Think about your current physical activity level and set goals that start from there.

Ask yourself what specifically you want to accomplish in terms of physical activity. Do you want to increase the time you spend in physical activity, the type of activity, or both? Set goals that you will be able to measure.

Now make a plan that is achievable and realistic. Look at the habits and patterns in your life and make plans that fit with those to avoid barriers to achieving your goals. Be sure to put a timeframe around your plan.

Share your goals with supportive people in your life to help you stay accountable. Celebrate small achievements along the way.

Physical Activity Guidelines:

- 150 minutes aerobic exercise per week
- Strength exercise 2 days/week
- Balance exercise 3 days/week

Resources

Consumer Financial Protection Bureau Financial Well-Being Quiz

www.consumerfinance.gov/consumer-tools/financial-well-being/

AARP

Home budget analysis tool

www.aarp.org/money/budgeting-saving/home_budget_calculator/

VCE Master Financial Volunteer

<https://ext.vt.edu/family/mfev.html>

Tax Preparation Assistance

IRS

www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers

Virginia

<https://www.tax.virginia.gov/free-help-your-taxes>

Editors: April Payne, MS; Carlin Rafie, PhD, RD; Aisha Salazar, MS

Peer reviewers: Jane Henderson, MEd; Susan Prillaman, MS; and Pegi Wright, MEd

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