

Standard of Living and Retirement Budget Justification

Karl Stiefvater | March 2026 Supporting analysis for settlement discussions

Overview

The following budget represents an honest, bottom-up assessment of what a reasonable standard of living costs for Karl Stiefvater — from the present through retirement. Every line item reflects either the actual cost of living in San Francisco, California, the marital standard of living established during our twenty-year marriage, or both. The total of \$146,140/year represents an honest accounting of what a reasonable standard of living actually costs in this city, for someone with Karl's professional background and established lifestyle.

San Francisco is not an arbitrary choice. It is where Karl and Lisa met and married. Juno was born in the Bay Area. It is where most of Karl's social and professional contacts remain, and it is where his last true non-self-employed job was located at Linden Lab. It is also where Karl's professional network in computer graphics, visual effects, and artificial intelligence is concentrated. It is one of the most active professional hubs for the AI industry, which represents Karl's most realistic path to any meaningful earned income going forward. Asking Karl to relocate somewhere cheaper would mean asking him to give up both his professional prospects and his home community — the place where his adult life began and where his best chance at self-sufficiency lies.

Summary Table

Monthly figures are rounded; annual figures are exact.

Category	Monthly	Annual
Housing	\$3,500	\$42,000
Healthcare	\$800	\$9,600
Food / delivery	\$1,200	\$14,400
Transportation	\$1,200	\$14,400
Travel	\$500	\$6,000
Clothing	\$150	\$1,800
Entertainment	\$800	\$9,600
Technology	\$1,270	\$15,240
Personal care / miscellaneous	\$700	\$8,400
Pet care	\$375	\$4,500
Professional development	\$433	\$5,200
Legal / financial / accounting	\$350	\$4,200
Life insurance (personal)	\$100	\$1,200
Savings buffer / contingency	\$800	\$9,600
Total	\$12,178	\$146,140

Housing — \$42,000/year (\$3,500/month)

San Francisco is one of the most expensive rental markets in the United States, and current data confirms it. As of March 2026, the average monthly rent for a one-bedroom apartment in San Francisco is \$3,745 — meaning the \$3,500 figure used in this budget is already below the current market average. This is not a projection or an estimate — it is documented by multiple independent rental platforms including Apartment List, RentCafe, and Zumper, all updated within the past week. Roughly 59% of San Francisco renters currently pay more than \$3,000/month for any apartment type. A one-bedroom at \$3,500 is a conservative, below-average figure for this market.

The market is also tightening. SF rents are up 13–14% year over year, driven in significant part by the AI industry boom — the same industry that makes San Francisco professionally relevant for Karl.

Housing is by far the largest single line item in this budget, and it is entirely driven by market reality rather than personal extravagance.

Healthcare — \$9,600/year (\$800/month)

The healthcare budget covers two distinct phases across the full period from the present through retirement and beyond.

From now until age 65, Karl requires private health insurance. Medicare is not available until 65. Private coverage in California for a 56-year-old male currently runs \$800–\$1,500/month depending on plan quality. A mid-range plan appropriate to the marital standard of living is approximately \$1,200/month. This is a verifiable figure available from any California health insurance marketplace.

From age 65 onward, Medicare becomes available. A Medicare Advantage or Medigap supplemental plan providing comprehensive coverage — including prescription drug coverage — runs approximately \$500–\$700/month. Without supplemental coverage, out-of-pocket exposure under basic Medicare is substantial and unpredictable.

Weighted across the pre-Medicare and post-Medicare phases, the blended average is approximately \$800/month or \$9,600/year. This figure does not include copays, dental care, vision care, or prescriptions, which are addressed separately in the personal care category. Karl has no known significant health conditions, which is why this figure sits at the conservative end of the range. Any deterioration in health would increase it materially.

Food and Delivery — \$14,400/year (\$1,200/month)

Food delivery is a normal and established part of Karl’s lifestyle in San Francisco — it was the household’s primary dinner pattern during the marriage and reflects how Karl actually eats. The budget, however, does not assume nightly restaurant-style ordering. It assumes a mix of groceries, simple home-prepared meals, and regular but not excessive delivery or takeout. A typical delivery order in San Francisco — not from a high-end restaurant, but from a normal neighborhood place — runs \$35–\$55 all-in including delivery fees, service charges, and tip. This reflects SF restaurant pricing and delivery platform economics, not personal extravagance.

The budget assumes approximately \$750/month for delivery and takeout, reflecting several convenience meals per week rather than an every-night pattern. Breakfast, lunch, groceries, and household staples account for the remaining approximately \$450/month. The total of \$1,200/month reflects the realistic cost of feeding one person in San Francisco at Karl’s actual standard while using a more restrained mix of delivery and home-prepared meals.

It is also worth noting that \$1,200/month for one person’s food in San Francisco is not high by local standards. The USDA moderate-cost food plan for a single adult male runs approximately \$400–\$500/month nationally. San Francisco food costs — both groceries and delivery — run materially above the national average. \$1,200/month for a single person in SF, including a realistic mix of groceries and some delivery, remains a conservative figure by local standards.

Transportation — \$14,400/year (\$1,200/month)

Karl owned a car during the marriage and the transportation budget reflects that established standard. Car ownership provides practical independence and work mobility — relevant for someone

whose professional work involves equipment, client meetings, and scheduling that public transportation does not reliably accommodate.

This budget does not assume a luxury vehicle. It assumes a modest, reliable car — the kind of vehicle Karl had during the marriage — financed or leased at approximately \$400/month. Auto insurance in San Francisco runs approximately \$200/month due to urban density, theft rates, and California’s regulatory environment — this is verifiable through any auto insurance comparison tool. Dedicated parking in San Francisco is a genuine and significant expense. Unlike most American cities, street parking in SF is scarce, permit-restricted, and unreliable. Dedicated parking in a garage or lot runs \$350–\$500/month in most neighborhoods. The budget uses \$400/month, which is conservative. Gas and routine maintenance round out the budget at \$200/month.

Travel — \$6,000/year (\$500/month)

The travel budget reflects two consistent needs across the full period covered by this budget: staying connected with Juno, and maintaining a basic personal travel cadence appropriate to the marital standard of living.

Juno is currently beginning college in Chicago. In the near term, Karl expects to visit approximately three times per year — a fall visit, a winter or spring visit, and a special occasion trip. A round-trip flight from San Francisco to Chicago currently runs approximately \$350–\$500. Three nights of hotel accommodation per visit runs approximately \$200–\$250/night depending on timing. Meals and incidentals add approximately \$100 per trip. Three visits per year at approximately \$1,100 each totals roughly \$3,300 annually. As Juno moves through college and into adult life, the destination will shift but the pattern — visiting an adult child living in another city — remains a normal and continuing expense.

The remaining \$2,700 covers one modest personal trip per year — a vacation, a visit to friends, or a meaningful personal journey. Five nights away including flights, accommodation, meals, and incidentals runs approximately \$1,500–\$2,000, with the remainder providing a buffer for price fluctuations and incidental travel costs. One personal trip per year is a conservative and reasonable expectation for someone at the marital standard of living.

Clothing — \$1,800/year (\$150/month)

Karl is by his own description a modest dresser. San Francisco’s technology and creative culture is famously casual — suits and formal attire are rarely required even in professional settings. The clothing budget reflects this reality.

\$100/month covers everyday clothing — replacing worn items, seasonal purchases, and basic wardrobe maintenance. An additional \$50/month accounts for occasional professional attire needs — should Karl pursue work in the AI or technology space, some professional-adjacent clothing

would be appropriate. This is not a fashion budget. It is a maintenance budget for someone who does not prioritize clothing.

At \$1,800/year, this is one of the lowest line items in the budget and deliberately reflects Karl's actual lifestyle rather than any aspirational standard.

Entertainment and Culture — \$9,600/year (\$800/month)

During the marriage, Karl's social life was primarily home-based — evenings with family, shared meals, family activities. This kept entertainment spending naturally low. Post-divorce, that structure no longer exists.

Living alone in a city without family at home, reasonable social and recreational spending rises because household-based social life is no longer the default. This is a predictable and well-documented pattern — not a lifestyle upgrade, but a shift in how social connection gets maintained.

San Francisco is an expensive city for social activity by any objective measure. A casual dinner at a neighborhood restaurant — not a special occasion, not a fine dining experience, just a normal SF dinner out with a friend — runs \$60–\$100 all-in with a drink and tip. This is the price of a normal social life in this city.

The entertainment budget breaks down as follows. Dining out with friends roughly once to twice per week — enough to maintain a normal social life without overstating the category — runs approximately \$400/month, supported by SF restaurant price data. Cultural activities — a film, a museum visit, an occasional concert or performance — add \$150/month, representing modest but regular participation in city life. Streaming and entertainment subscriptions run \$50/month. Social activities such as fitness classes, hobby groups, or recreational sports add \$200/month — activities that replace the social infrastructure that family life previously provided.

The total of \$800/month is what a normal, healthy social life costs for one person living alone in San Francisco while keeping the category disciplined. It is grounded in actual SF pricing rather than aspirational spending.

Technology — \$15,240/year (\$1,270/month)

Technology is not a discretionary category for Karl — it is professional infrastructure. Karl's career is in computer graphics, visual effects, and artificial intelligence. Every tool in this budget is either a current industry-standard professional application or a platform directly relevant to maintaining professional relevance in a rapidly evolving field.

The specific subscriptions are as follows, at published monthly prices:

Adobe Creative Cloud, including Photoshop and the full creative suite: \$55/month. This is the industry-standard creative tool suite used across visual effects, game development, and digital media — Karl's professional domain.

Autodesk Maya: \$235/month. Maya is the industry-standard 3D animation and visual effects application used in film and game development. This is a published subscription price available on Autodesk’s website. For someone with Karl’s background, this is not optional software — it is the tool of the profession.

Parallels Desktop: approximately \$10/month amortized. This allows Karl to run multiple operating systems, standard practice for software development and testing.

OpenAI professional subscription: \$200/month. AI tools are now central to professional practice in every field Karl works in. A professional-tier subscription is a competitive necessity for someone working in AI-adjacent fields.

Additional AI platforms including image generation, code assistance, and research tools: \$100/month. The AI tooling landscape is expanding rapidly and staying current requires active engagement with multiple platforms.

Other professional software subscriptions: \$100/month. This covers version control tools, cloud storage, productivity software, and other professional utilities.

Hardware replacement amortized across a realistic replacement cycle: \$200/month. A professional-grade laptop capable of 3D rendering and AI workloads costs \$2,500–\$4,000 and requires replacement every two to three years. Peripheral equipment, external storage, and accessories add to this figure.

High-speed internet — essential for remote work, large file transfers, and cloud-based AI tools: \$100/month. Phone plan: \$80/month.

Karl maintains professional cloud infrastructure — server hosting, domain management, security services, and related technical services — documented at \$2,277/year, representing approximately \$190/month. This is the backbone of Karl’s professional web presence and technical practice. These are not consumer services — they are the infrastructure of a working technologist.

Every item in this category is verifiable at published prices or documented by invoice. The total of \$1,270/month reflects the documented cost of professional tooling for someone in Karl’s field — not personal technology consumption, but the infrastructure of a professional practice.

Personal Care and Miscellaneous — \$8,400/year (\$700/month)

This category covers the everyday costs of maintaining a household and personal wellbeing that don’t fit neatly into other categories.

Haircuts and grooming at \$50/month is modest — a basic haircut in San Francisco runs \$40–\$60. Medical copays, dental care, and vision care add approximately \$100/month — routine checkups, an annual dental cleaning, and glasses or contact lenses. A gym membership or fitness activity at \$100/month reflects both physical health and mental wellbeing, which become increasingly important living alone in a city. Household supplies — cleaning products, paper goods, toiletries, kitchen consumables — run approximately \$100/month for a single-person household.

Gifts are a real and often overlooked expense. Juno's birthday, holidays, occasional friend celebrations — \$150/month is conservative for someone maintaining normal human relationships.

The miscellaneous category of \$200/month exists because real life does not fit neatly into budget categories. A parking ticket, a replacement household item, an unexpected expense — these happen every month in some form. A budget that pretends otherwise is a budget that will be wrong every month.

Pet Care — \$4,500/year (\$375/month)

Karl has three cats. These are existing family members whose care is a genuine ongoing expense, not a new lifestyle choice.

Quality cat food for three cats runs approximately \$100/month. Routine veterinary care — annual checkups, vaccinations, and preventive care — runs approximately \$150/month amortized across three animals. Litter and household supplies add approximately \$50/month. Pet insurance for three cats, which protects against the unpredictable and potentially significant cost of veterinary emergencies, runs approximately \$75/month.

Veterinary emergencies for cats can run \$1,000–\$5,000 per incident. Three cats over a multi-decade horizon will almost certainly generate at least one significant veterinary expense. Pet insurance makes the budget predictable rather than subject to catastrophic one-time costs.

Professional Development — \$5,200/year (\$433/month)

Staying current in artificial intelligence and computer graphics is not a lifestyle choice — it is the price of employability. The AI field is moving faster than almost any other in history. Professional knowledge that was current twelve months ago may be materially obsolete today. For someone re-engaging with professional life after a period away, investment in current knowledge is not optional — it is what makes employment possible.

Online courses and training platforms covering AI, machine learning, and computer graphics run approximately \$100/month. Books, technical publications, and research access add \$50/month. Professional memberships add \$50/month.

The largest single professional development expense is the Game Developers Conference, held annually in San Francisco. GDC is among the most important annual gatherings in computer graphics, interactive technology, and game development — Karl's professional field. An All Access pass runs approximately \$2,500. Because GDC is held in San Francisco, there are no associated travel or hotel costs — attending the most important conference in Karl's field requires only the registration fee. GDC's location in San Francisco is a concrete illustration of why the city is professionally relevant: the most important annual conference in Karl's field takes place there. Total GDC cost: approximately \$2,800/year.

The professional development budget is not about enrichment. It is about maintaining the employability that reduces the overall burden on the settlement. Every dollar spent on professional development is an investment in Karl's ability to generate earned income — which is precisely what a reasonable settlement recipient should be doing. In the near term this investment supports re-entry and earned income. Over time it transitions into the kind of continued professional engagement and intellectual currency that characterize an active retirement in a technical field.

Legal, Financial, and Accounting — \$4,200/year (\$350/month)

Ongoing professional advisory fees are a normal and necessary expense, particularly for someone whose income will come from a structured settlement rather than conventional employment.

Tax preparation becomes more complex when income comes from support payments, investment returns, and potentially freelance work. A competent tax preparer charges approximately \$1,200/year for annual preparation and basic advisory services.

A financial advisor is essential for managing settlement assets responsibly. Whether the settlement takes the form of monthly support, a lump sum, or a hybrid structure, the money needs to be managed well to last. A fee-only financial advisor charges approximately \$1,800/year for basic ongoing advisory services.

Occasional legal needs — updating a will, reviewing a document, addressing an unexpected issue — run approximately \$1,200/year amortized. These are not litigation costs — they are the ordinary legal expenses of a responsible adult managing their affairs.

Life Insurance — \$1,200/year (\$100/month)

A personal term life or disability insurance policy for Karl himself protects against unexpected personal circumstances that could affect his financial situation. This is a modest but real expense that belongs in any complete budget of this kind.

Note: A separate life insurance policy on Lisa, naming Karl as beneficiary, is a settlement structure item rather than a personal budget item. Its purpose is to protect Karl's support stream in the event of Lisa's death before Karl reaches retirement security at 67. That premium is appropriately Lisa's obligation under the settlement terms and is addressed separately.

Savings Buffer and Contingency Reserve — \$9,600/year (\$800/month)

The contingency reserve is not extra spending — it is risk management. A budget that accounts for every expected expense but nothing unexpected is a budget that will fail the first time reality intervenes. The question is not whether unexpected costs will occur — they will. The question is whether the budget accounts for them honestly.

The contingency reserve serves three specific purposes. First, it funds a liquid emergency reserve. Financial planners universally recommend three to six months of living expenses in accessible savings. For this budget, that means \$38,000–\$77,000 built over time — at \$400/month, approximately eight to sixteen years to accumulate. This is not aggressive saving — it is basic financial prudence. Second, it provides an inflation buffer. Even at modest 3% annual inflation, purchasing power erodes materially over a multi-decade horizon. A small annual contribution helps preserve real purchasing power. Third, it covers genuine contingencies — an unexpected medical procedure, a car repair, a veterinary emergency for one of three cats, a necessary household repair. These are not hypothetical risks. They are certainties across a long horizon.

\$800/month for these three purposes reflects sound financial planning for a period of this length.

Conclusion

This budget, built honestly from the bottom up, produces an annual standard of living cost of \$146,140 in today's dollars. Every line item is documented, verifiable, and grounded in either current San Francisco market data, published subscription prices, or the actual lifestyle established during the marriage. The number is what it is because the costs are what they are.

This budget was built from the bottom up, without a target figure in mind. The result speaks for itself.