

THE BIG QUESTION

“How much money will you need to have saved when you reach retirement?”
 Grab a calculator and a pencil. This worksheet will help you determine the percentage of pay you need to save. If the number seems big, don't worry, the answer is easy: "Save as much as you can now and then increase your savings every year to meet your goals."



How many years until you retire? Find your years until retirement in the table below and use that row for your calculations. We recommend a retirement age of at least 65 or 67.

Years	Inflation	Growth	Savings
5	1.16	1.3	0.1753
10	1.34	1.73	0.0752
15	1.56	2.38	0.0421
20	1.81	3.36	0.0257
25	2.09	4.9	0.0163
30	2.43	7.36	0.0105
35	2.81	11.36	0.0067
40	3.26	18.04	0.0043

1. **What's your Current Yearly Gross Income?** _____
Your annual income before taxes or any deductions.
2. **What percent of your income will you need to replace when you retire?** _____
70% - 80% is the average, but you can choose a different number.
3. **Multiply LINE 1 by LINE 2.** _____
Your replacement income needed.
4. **How much yearly Social Security will you receive (in today's dollars)?** _____
Visit www.ssa.gov or use anywhere from 0%-25% of your pay as an estimate.
5. **Subtract LINE 4 from LINE 3.** _____
This is the income you need to replace the first year of your retirement.
6. **Multiply LINE 5 by INFLATION FACTOR.** _____
This is the inflation adjusted (we used 3% annual inflation) replacement income you will need.
7. **Multiply LINE 6 by 20.** _____
Your balance needed at retirement. We assume you will live 25 years in retirement.
8. **Enter the current balance of all of your retirement savings.** _____
This is the total balance of your 401(k), IRA's, etc.
9. **Multiply LINE 8 by GROWTH FACTOR.** _____
This is the projected future value of your current retirement savings based on your years until retirement.
10. **Subtract LINE 9 from LINE 7.** _____
This is the additional dollars you will need to accumulate before you retire.
11. **Multiply LINE 10 by SAVINGS FACTOR.** _____
This is the dollar amount you should be saving each year.
12. **Divide LINE 11 by LINE 1.** _____
This is the percentage of your paycheck you should be saving.

THE ANSWER!!

The amounts shown in this statement are only estimates of what your benefits may be. Because of the many variables involved, it is not possible to predict the exact amount of your benefits until you actually begin to receive them. This information is being provided to you for informational purposes and should not be construed as investment or retirement planning advice. You should consult with professional advisors about your financial situation.