MONTHLY RETIREMENT PLANNING

In order to retire with some security you must aim at something. Too many people use the READY-FIRE-AIM approach to retirement planning. Your assignment is to determine how much per month you should be saving at 12% interest in order to retire at 65 years old with what you need.

If we are saving at 12% and inflation is at 4%, then we are moving ahead of inflation at a net of 8% per year. If you invest your nest egg at retirement at 12% and want to break even with 4% inflation, you will be living on 8% income.

Step One:

Annual Income (today) you wish to retire on $_____

divide by .08

(nest egg needed) equals $_____

Step Two:

To achieve that nest egg you will save at 12% netting 8% after inflation so we will target that nest egg using 8%.

_____ ***X*** _____ **=** _____

Nest Egg Needed ***Factor*** ***Monthly Savings Needed***

8% Factors (select the one that matches your age)

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AGE	YEARS TO SAVE	FACTOR
25	40	.000286
30	35	.000436
35	30	.000671
40	25	.001051
45	20	.001698
50	15	.002890
55	10	.005466
60	5	.013610

Note: Be sure to try one or two examples if you wait 5 or 10 years to start.