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)

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.