Retirement Estimator

		Example	You
1	Your current income	$50,000	
2	Multiply this amount by .80. This is an estimated annual income in retirement, in today's dollars, based on 80% of your current income. (Or enter a different amount, if you choose. Most experts suggest 70% to 100% of your current annual income.)	$40,000	
3	Estimated yearly income from Social Security – visit www.socialsecurity.gov to estimate your income	$20,000	
4	Other sources of income (pension, real estate income, etc)	$0	
5	Add lines 3 and 4. This is your estimated annual income, in today's dollars from other sources	$20,000	
6	Subtract line 5 from line 2. This is your estimated income gap, which you will need to make up from your retirement savings	$20,000	
7	How many years until your retire?	20 years	
8	Find the corresponding factor from Table A below and enter it here	1.81	
9	Multiply line 6 by line 8. This is the amount that your savings will need to generate in year one of your retirement	$36,200	
10	How long do you expect your retirement to last?	25 years	
11	Find the corresponding number from Table B below and enter it here	22.32	
12	Multiply line 9 by line 11. This is the target amount you may need to accumulate by the time you retire	$807,984	

Table A

Years until retirement	5	10	15	20	25	30	35	40
Factor	1.16	1.34	1.56	1.81	2.09	2.43	2.81	3.26

Table B

Years in retirement	5	10	15	20	25	30	35	40
Factor	4.90	9.58	14.03	18.27	22.32	26.17	29384	33.34

This worksheet assumes that inflation rises at an average of 3% per year both before and during retirement. It also assumes that your investments grow at an average of 6% per year before retirement and 4% per year during retirement. Such assumptions are hypothetical and cannot be guaranteed.

This worksheet is not meant as advice, but as a way to provide a general estimate for illustrative purposes. Your specific goal should take into consideration your total family income, your current and expected assets, and other unique circumstances.