

# Retirement Needs Worksheet

## How Much Will You Need to Have Saved on the Day You Retire?

	Your Information	Example
1. Current gross annual income	_____	\$75,000
2. Multiply by the percentage you will need	x _____%	x 80%
3. The amount you will need each year	= \$ _____	= \$60,000
4. Subtract other sources of income (such as Social Security)	- \$ _____	- \$20,000
5. The amount you will need to take from your savings each year (#3 - #4)	\$ _____	\$40,000
6. The amount you must save by the time you retire (#5 x 25)	\$ _____	\$1 million

## How Much Will You Need to Invest?

### STEP 1. What do you have now?

	Your Information	Example
IRA accounts	\$ _____	\$5,000
Employer-sponsored plans such as 401(k), 403(b), SEP-IRA	\$ _____	\$40,000
Other investment accounts such as brokerage accounts	\$ _____	\$10,000
<b>Total current balance</b>	<b>\$ _____</b>	<b>\$55,000</b>

### STEP 2. What will this be worth when you retire?

To estimate the future value of your current investments on the day that you retire, find your compound growth factor from the table below. It tells you how much you could have at the end of the selected time period if you invest \$1 at the rate indicated. If you are in between years, use the shorter time frame to get a more conservative estimate.

Compound Growth of Your Current Balance Expected annual investment rate of return prior to retirement							
Years until retirement	4%	5%	6%	7%	8%	9%	10%
1	1	1.1	1.1	1.1	1.1	1.1	1.1
2	1.1	1.1	1.1	1.1	1.2	1.2	1.2
3	1.1	1.2	1.2	1.2	1.3	1.3	1.3
4	1.2	1.2	1.3	1.3	1.4	1.4	1.5
5	1.2	1.3	1.3	1.4	1.5	1.5	1.6
10	1.5	1.6	1.8	2.0	2.2	2.4	2.6
15	1.8	2.1	2.4	2.8	3.2	3.6	4.2
20	2.2	2.7	3.2	3.9	4.7	5.6	6.7
25	2.7	3.4	4.3	5.4	6.8	8.6	10.8
30	3.2	4.3	5.7	7.6	10.1	13.3	17.4
35	3.9	5.5	7.7	10.7	14.8	20.4	28.1

Note: This chart is a hypothetical illustration only, and not a projection of the future performance or value of a particular investment.

# Retirement Needs Worksheet

	Your Information	Example
Current balance of your investments from Step 1	\$ _____	\$55,000
Multiply by your compound growth factor	x _____	x4.3
<b>Estimated value of those investments when you retire</b>	<b>\$ _____</b>	<b>\$236,500</b>

### STEP 3. What additional contributions do you expect to make before you retire?

To estimate the value of your additional contributions, find your annual contributions compound growth factor from the table below. This helps you estimate how much you could have if you invest \$1 at the end of the year for a selected number of years and at a selected rate of return. If you are between years, use the shorter time frame to get a more conservative estimate. This table assumes that you invest the same amount each year.

Compound Growth of Your Annual Contributions Expected annual investment rate of return while you are working							
Years until retirement	4%	5%	6%	7%	8%	9%	10%
1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
2	2.0	2.1	2.1	2.1	2.1	2.1	2.1
3	3.1	3.2	3.2	3.2	3.2	3.3	3.3
4	4.2	4.3	4.4	4.4	4.5	4.6	4.6
5	5.4	5.5	5.6	5.8	5.9	6.0	6.1
10	12.0	12.6	13.2	13.8	14.5	15.2	15.9
15	20.0	21.6	23.3	25.1	27.2	29.4	31.8
20	29.8	33.1	36.8	41.0	45.8	51.2	57.3
25	41.6	47.7	54.9	63.2	73.1	84.7	98.3
30	56.0	66.4	79.1	94.5	113.3	136.3	164.5
35	73.7	90.3	111.4	138.2	172.3	215.7	271.0

Note: This chart is a hypothetical illustration only, and not a projection of the future performance or value of a particular investment.

	Your Information	Example
IRA	\$ _____	\$2,000
Employer-sponsored plans such as 401(k), 403(b), or SEP-IRA	+\$ _____	\$10,000
Other accounts	+\$ _____	\$2,000
Total annual contributions in today's values (add amounts above)	=\$ _____	\$14,000
Multiply by your compound growth factor	x _____	x 54.9
<b>Estimated future value of contributions</b>	<b>=\$ _____</b>	<b>\$768,600</b>

# Retirement Needs Worksheet

STEP 4. What is the estimated future value of your portfolio?

	Your Information	Example
Total from Step 2	\$ _____	\$236,500
Plus Total from Step 3	\$ _____	+768,600
<b>Estimated value of your portfolio when you retire</b>	<b>=\$ _____</b>	<b>\$1,005,100</b>

---

## Where Do You Stand?

Estimated future value of your portfolio from above	\$ _____	\$1,005,100
Subtract your retirement goal	-\$ _____	-\$1,000.00
<b>Your potential surplus (+) or shortfall (-)</b>	<b>=\$ _____</b>	<b>+\$5,100</b>