



Estimate Your Retirement Accumulation Goal

Note: For this exercise, we assume a 4% average rate of inflation from now on, an 8% average annual rate of return prior to retirement, a 6% average annual rate of return during retirement, and a retirement that lasts 25 years

Table A* - Inflation

Years Until Retirement	Inflation Factor
5	23.5
10	28.6
15	34.8
20	42.3
25	51.5
30	62.6
35	76.2

*Assumes 25 years in retirement, a 4% annual inflation rate, and that your savings during retirement earn a 6% average annual return.

Table B* - Growth

Years Until Retirement	Growth Factor
5	1.5
10	2.2
15	3.2
20	4.7
25	6.8
30	10.1
35	14.8

*Assumes an 8% average annual rate of return prior to retirement.

		Example
1. How much do you estimate you will need in retirement PER YEAR?	\$ _____	\$ 48,000
2. How much do you expect to receive each year in Social Security?	\$ _____	\$ 16,320
3. How much do you expect to receive each year from a company pension?	\$ _____	\$ 9,376
4. Add lines 2 and 3.	\$ _____	\$ 25,696
5. Subtract line 4 from line 1.	\$ _____	\$ 22,304
6. Put in proper inflation factor for your years to retirement - USE TABLE A.	_____	34.8
7. Multiply line 5 by line 6. This is your estimated retirement accumulation goal (in future dollars).	\$ _____	\$ 776,179
8. How much do you currently have saved for retirement?	\$ _____	\$ 60,000
9. Put in proper growth factor for your years to retirement - USE TABLE B.	_____	3.2
10. Multiply line 8 by line 9.	\$ _____	\$ 192,000
11. Subtract line 10 from line 7. This is your retirement deficit or surplus.	\$ _____	\$ 584,179