



# How Much Do I Need To Retire?

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A ROUGH ESTIMATE

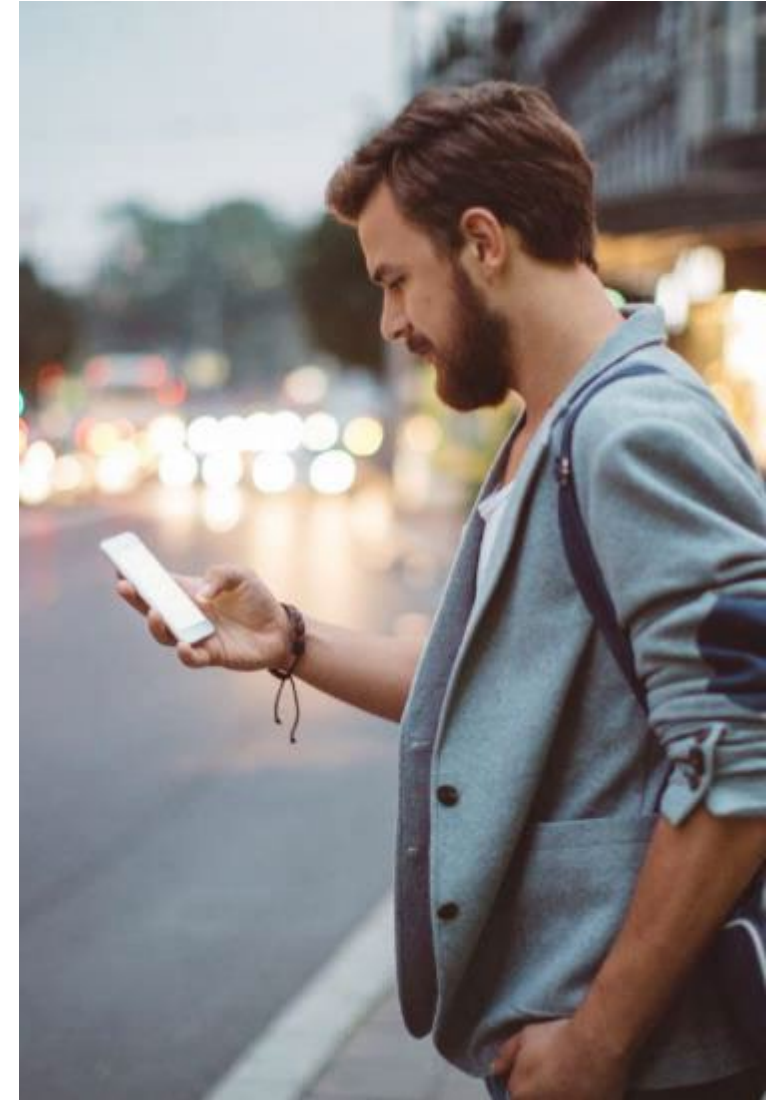
# Agenda

Estimate how much you will spend annually in the first few years of retirement.

Identify Other Funding Sources

Use “Rule of Thumb” number to calculate target retirement account balance

Obtain a Financial Plan for a more accurate number.





$$\$50,000 \times 0.8 = \$40,000$$

$$1.03^{20} = 1.8061112346694138117573133075817$$

$$\$40,000 \times \text{that} \uparrow = \$72,244.45$$

## Estimate Your Spending



Already retired or close to retirement? Use your current actual annual spending and adjust it for changes. Increase it if you plan to go on trips or start a hobby. Decrease it if you have a lot of work-related expenses that you will no longer need to spend on (I am looking at you teachers!)

Retirement a little further down the road? Use 80% of your current gross earnings, adjusted for inflation and the number of years until you retire.

$(\text{Gross Pay} \times 0.8) \times ((1.03 \text{ inflation})^{\text{number of years to retirement}})$



# Identify All Sources of Income

## Reduce Funding Need By Other Sources

- Social Security Income
- Pensions
- Rental Income from Investment Real Estate
- Investment Income from After Tax Brokerage
- Income From Charitable Gift Annuities (shameless plug, speak with a Planned Giving representative regarding CGAs)

*Funding Need = \$72,244.45  
Less Social Security = \$45,000  
Less CGA = \$5,000  
Estimated Need = \$22,244.45*



# Rule of Thumb

Divide your “Estimated Need” number by 0.04. The result is your target retirement account balance at full retirement age.

$$\$22,244.45 / 0.04 = \$556,111.25$$

## Annual Withdrawals

The 4% Rule is widely used in the financial planning industry as a safe initial withdrawal rate from your retirement funds. This rate allows for a high probability of your retirement funds lasting 30 years even with the equity markets ups and downs.

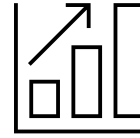


# Financial Planning

Specially Tailored For You

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The information provided in this presentation are estimates and general rule of thumb figures designed to give you a “ballpark” number to target. Speak with a professional financial planner to obtain a more accurate estimate, along with other considerations tailored to your unique situation.



Investment Planning



Tax Planning



Risk (Insurance) Planning



Retirement Planning



Estate Planning