

# Step One:

## Calculate Your Retirement Savings Goal

Use the worksheet below to determine the amount you need to save each month to achieve your financial goals. When you have completed this page, move on to the Investor Profile Questionnaire in Step Two. (Note: All figures are in today's dollars. That means you should increase your savings each year at least by the rate of inflation.)

	Enter Your Values Here	Example
1. Current annual salary		\$30,000
2. Estimated annual retirement income:		
a. Social Security (average is .30 of line 1)		\$9,000
b. Pension Plan, if any (.02 x total years of service at retirement x final average salary)		\$15,000
3. Total estimated retirement income (2a + 2b)		\$24,000
4. Annual income needed from your supplemental savings (line 1 minus line 3)		\$6,000
5. Target retirement age		62
6. Retirement age factor:		
Age     67     65     62     60     55		18.8
Factor   16.4   17.4   18.8   19.6   21.5		
7. Amount you need to save (in today's dollars) by your desired retirement age (line 4 times line 6)		\$112,800
8. Current balance 401(k) / 457 / 403(b) / IRA / etc.		\$4,800
9. Number of years until you retire		20
10. Years until retirement factor		
Years   5     10    15    20    25    30		2.2
Factor   1.2   1.5   1.8   2.2   2.7   3.2		
11. Value of current supplemental savings at retirement (line 8 times line 10)		\$10,560
12. Retirement shortfall (line 7 minus line 11)		\$102,240
13. Factor based on years to retirement		
Years   5     10    15    20    25    30		.034
Factor   .184   .083   .050   .034   .024   .018		
14. Supplemental savings annual contribution required (line 12 times line 13)		\$3,476
15. My current annual contribution (Including employer paid 401(k), etc.)		\$900
16. Additional annual contribution required (line 14 minus line 15)		\$2,576
17. Additional monthly contribution required (line 16 divided by the number 12)		\$215

*Factors assume your investments will have an annual yield of 8% before retirement and 7% during retirement, inflation will be 4% per year and you will live until age 90.*