

Capital Required at Retirement

How Much Capital Will I Need at Retirement?

A financially-secure retirement is the result of understanding and answering these essential questions:

- How much money will you need?
- Where will the money come from?
- How much time do you have before retirement?

Of the three primary sources of retirement income, personal retirement savings is the one over which we exercise the most control!

How much capital is required from personal retirement savings to supplement the other sources of retirement income?

For each year that you need this much monthly retirement income:	This is the amount of capital required to provide that monthly income, assuming your capital earns an annual interest rate of:			
	4%	6%	8%	10%
\$ 500	\$ 150,000	\$ 100,000	\$ 75,000	\$ 60,000
1,000	300,000	200,000	150,000	120,000
1,500	450,000	300,000	225,000	180,000
2,000	600,000	400,000	300,000	240,000
3,000	900,000	600,000	450,000	360,000
4,000	1,200,000	800,000	600,000	480,000
5,000	1,500,000	1,000,000	750,000	600,000
10,000	3,000,000	2,000,000	1,500,000	1,200,000

This example is based on the capital retention method, which uses interest return only to provide income. Principal is not liquidated and remains available.

This is a hypothetical illustration only and is not indicative of any particular investment or investment performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for long-term investments.