Sharma Associates, Inc. - Phone: 610.828.8253 Website: www.sharmah.com email: hans@sharmah.com

**How Much to Save for Retirement: What it takes to Save $1 Million!**

This is a common question, I get all the time. How much do I need to save for retirement?

Whether you have been working for 30 years or recently entered the workforce or just graduated from high school or college. It is not too early or too late to start thinking and saving for retirement.

By age 30, one needs to save at least half of the annual income for retirement.

By age 35, your nest egg needs to be at least equal to your annual income.

By age 40, it needs to be at least twice as much as your annual income.

By age 45, it should be at least three to four times your annual income.

By age 50, your target should be six times your annual income.

By age 55, it should be around seven to eight times your annual income.

By age 60, it should be around ten times your annual income.

By age 67, it should be around twelve times or more of your annual income.

To have a comfortable retirement, one still needs additional income from your social security.

It is never too late to take action. No one can predict (future) economy or markets. The biggest cause of financial failure is not the investment loss, insufficient income or high expenses, rather it is procrastination. Not doing what we are supposed to do. Most of us know what we need to do; we just do not do it.

Ignore the noise, tune out the daily news about stock market fluctuations and focus on long term goals.

Lot of financial failure comes from reacting to the markets. No one can constantly deliver superior results. Saving and building a diversified portfolio and staying the course are the key to successful retirement planning.

Retirement planning is just like our health, as we approach 50s or 60s; we need to get annual physical and financial check-up, to see what we have done so far and where we need to make a change. Approximately 60% of the retirement income should come from guaranteed, consistent fixed resources such as social security, pension, and annuities etc.

**What it takes to make $ 1 million:**

How much one need to invest each year at various growth rates to have $1 million in 10 to 35 years. \* This is just a guideline

Years to Retirement 8% growth rate\* 9% growth rate\* 10% growth rate\*

10 $69,029 $65,820 $62,745

20 $21,852 $19,546 $17,460

25 $13,679 $11,806 $10,168

30 $8,827 $7,336 $6,168

35 $5,803 $4,635 $3,689