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# Calculating Your Post-Retirement Income, Post-haste

*Do you know how much money is enough for retirement? We'll show you how to find out.*

*"Time waits for no man" – Ancient Proverb*

That ancient quote is a great reminder of how important it is to start planning for your retirement. Whether we acknowledge it or not, retirement is creeping up on us. Even for those who have just started their careers, retirement planning is essential to a secure future for themselves and their loved ones.

One of the first steps to planning for retirement is to determine your desired post-work income. This is the amount of money you'll need to live comfortably and do the things you've always wanted to, like travel – without worrying about running out of funds. People often believe they are saving enough, when in reality, they'll fall short of what they need.

Your post-retirement income heavily depends on the age you wish to retire and how much money per year you wish to spend. Generally, you want to have between 75 and 95 percent of your pre-retirement income available per year. That way, you won't experience a drastic decline in your lifestyle. Many people grow accustomed to living on a certain income and want to stay consistent after retirement. You'll also need to take longer lifespans and inflation into account.

Getting a specific savings goal in mind is a good way to light a fire under your retirement plan. But few Americans have done it. According to the *2019 Retirement Confidence Survey (RCS)*, released annually by the Employee Benefits Research Institute (EBRI), 40 percent of workers say they have tried to calculate how much they need to accumulate for retirement. Only 23 percent of workers and 38 percent of retirees have sought the help of a financial professional, according to the same survey.<sup>1</sup>

Even if you come up with a number that seems sufficient, you may not consider all the possible risks that may arise. An experienced professional can plug your number into a series of potential real-world situations to see if it holds up. Say, for instance, you or a spouse enter a long-term care facility at some point during retirement. Your financial services professional can look at your determined number and see if it will hold up under the strain.

Determining the exact amount of post-retirement income you'll need is the first step toward saving for your retirement. Once you get that out of the way, you've started down the path to secure your future. Asking for help can be crucial; a professional can tell you if your number will hold up in case of emergencies or other unexpected events. Meeting with a professional and determining how much you need to save is the first step toward determining future goals for retirement. It's painless, and you'll be glad you did it.

<sup>1</sup><https://www.ebri.org/docs/default-source/rcs/2019-rcs/2019-rcs-short-report.pdf>

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