



Calculate Your Retirement Capital

Exercise

To calculate the amount of capital required at retirement to produce your desired retirement income.

Step 1

The Effect of Inflation on \$1,000. Determine how much money in tomorrows dollars you will need using the table below. E.g. if you wish to have \$1500 per week and you are going to retire in 15 years time you will need $1.5 \times \$1,513 = (a)\$2,270$ per week.

Year	Tomorrows \$ @ 3%pa
Year 1	1,000
Year 5	1,126
Year 10	1,305
Year 15	1,513
Year 20	1,754
Year 25	2,033
Year 30	2,357
Year 40	3,167

Step 2

1. Take (a) from above, being the desired weekly income (a) \$_____ Multiply by 52 = (b) \$_____
2. Divide annual amount (b) by investment return rate (say 7%)
(b) \$_____ /0.07 = (c) \$ _____

(c) This is the Capital you will need to have your desired passive retirement income.

This is simply to cover off your income needs, and does not allow for capital payment off debt or lump sums for other purposes such as holidays.



How's Your Retirement Funding Looking?