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Retirement in Sight

Monthly news and information for current and future retirees

Presented by UPAL

CAN YOU DETERMINE YOUR IDEAL RETIREMENT INCOME BY FORMULA?

Retirement income formulas can serve as a starting point or simple estimation of the amount of money you may need per month or year, but other factors may influence those needs as well. Some articles state that you need to live on 70% or 80% of your end salary in retirement, but such rules of thumb may prove simplistic. Claims that you need to amass a certain amount to retire comfortably today can also gloss over some key retirement planning variables.

For example, when and where do you think you will retire? Leaving work a few years earlier (or later) will affect your income planning. So will retiring to another location. There are retirees who move to more affluent areas with higher costs of living, even as they move into smaller homes. Do you want to travel quite a bit, or pursue a particularly expensive hobby or passion? Fulfilling those dreams might require more income than you now imagine. How about inheritances, bonuses, or selling your company? These potential cash infusions can decrease income needs, just as health crises or eldercare can increase them. A good retirement planner may help you determine your needs in a way that simple math may not.[1]

MOST RETIREES ARE STAYING PUT

Decades ago, a move to the Sunbelt was part of the American retirement dream. You left the cold, you played golf or tennis, and you wore shorts in February. Today, that Sunbelt move is increasingly rare. As some recently released Census Bureau data shows, retirement and relocation have gotten less synonymous.

During 2009-13, just 1% of Americans age 65 or older moved to another state. In fact, only 5.7% of them moved into a new home. Most of those who did move ended up living in the same state, with a significant percentage of them choosing to live in the same county. All this suggests that retirees value support systems more than changes of scenery; warmer winters aside, nothing beats having friends and family close by.[2]

ON THE BRIGHT SIDE

According to a new Transamerica survey, 83% of baby boomers contribute to workplace retirement plans. Their median contribution? An impressive 10% of their salary.[3]

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