



HOW MUCH WILL YOU NEED TO RETIRE?

A question I am often asked is how much money will I need to be able to retire? A very good question but a bit like how long is a piece of string.

There are many factors that will influence how much you need. Just a handful of them are:

- Will you have you got any debt you are still paying off?
- Do you own your home debt free or are you a renter?
- Will you qualify for the Age Pension from Centrelink?
- How much do you think you need each week to live a comfortable life?
- Do you have any big ticket or bucket list items that you need to pay for?
- Where will you holiday and how much is that likely to cost each year?
- Etc, etc,

But we all need a starting point so here is some information about likely lump sum requirements. This is based on generating income in retirement for 30 years with cost of living increases each year of 2.5%. I have assumed an earning rate on the money of a very conservative 5% a year.

The following table helps to give you an idea of what you might need.

Initial Annual Income Required	Lump Sum Requirement To Last 30 Years*
\$ 25,000	\$ 526,631
\$ 30,000	\$ 631,633
\$ 40,000	\$ 842,177
\$ 52,000	\$ 1,094,830
\$ 60,000	\$ 1,263,266
\$ 70,000	\$ 1,473,810
\$ 80,000	\$ 1,684,355

*Assumes no other income received from any other source

Remember this lump sum can be made up of anything that is an investment. Super, property, shares, cash, as long as it is an income producing asset or one that allows you access to lump sum capital. That is why you would generally leave out the value of the family home.

How are you tracking? Do you even know?

I can offer you a no obligation review of your current situation to see how you are tracking towards your retirement. To find out more just call, shoot me an e-mail or drop me a line or message me through Linked In.

Important information

This information is of a general nature only and is not intended to constitute personal advice. It does not take into account your particular investment objectives, financial situation or needs and, accordingly, you should consider the appropriateness of this information in light of your own circumstances. We recommend that you obtain professional advice before undertaking financial transactions.

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