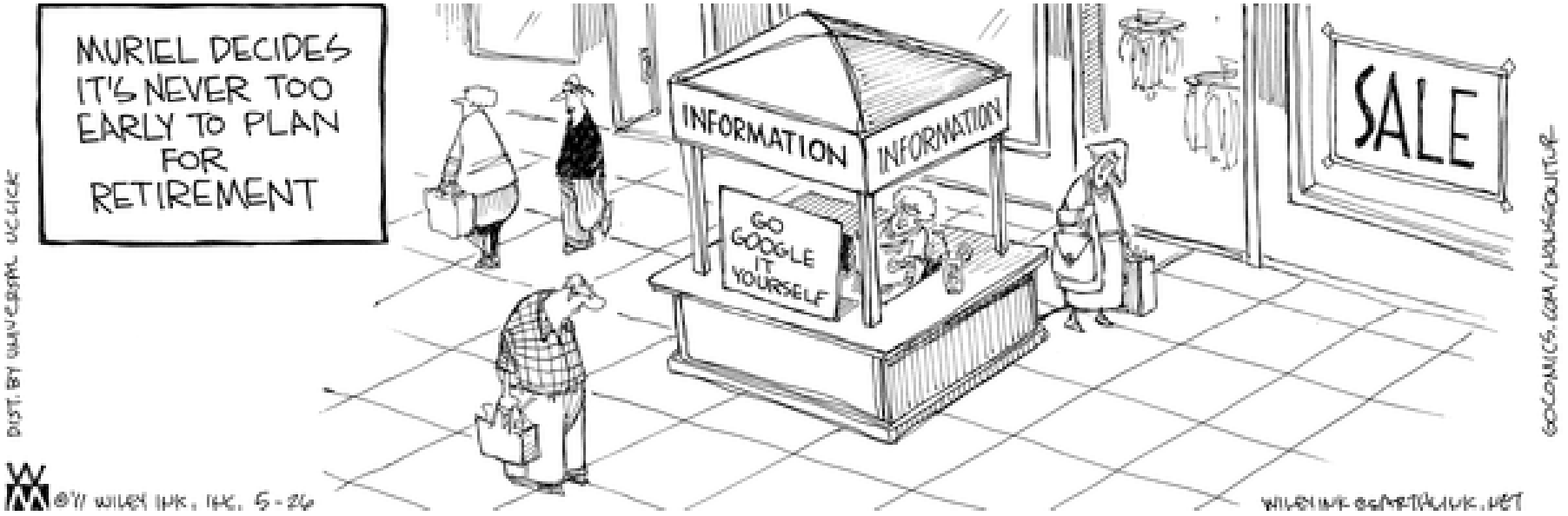
MURIEL DECIDES IT'S NEVER TOO EARLY TO PLAN FOR RETIREMENT
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Only one thing is constant in life…

Only one thing is constant in life…

CHANGE

So change is gonna happen…

So change is gonna happen…

Retirement is a really big change

So change is gonna happen…

Retirement is a really big change

And Financial Security is *REEALLYY* important

You’re on a journey to retirement

Every journey requires three things:

You’re on a journey to retirement

Every journey requires three things:

You’re on a journey to retirement

Every journey requires three things:

- Destination

You're on a journey to retirement

Every journey requires three things:

- Destination
  - What will you do when you get there?
  - How will you pay for it?

You're on a journey to retirement

Every journey requires three things:

- Destination
- Plan -- ROADMAP

You're on a journey to retirement

Every journey requires three things:

- Destination
- Plan -- ROADMAP
- Starting point

You're on a journey to retirement

Every journey requires three things:

- Destination
- Plan to get there -- ROADMAP
- Starting point

So where and when should you start?

Jackie and Diane

Jackie and Diane are the same age.

Diane will save $1000 per year for 10 years, starting at age 20.

Jackie will save $1000 per year every year, starting at age 30.

The interest rate is 5% per year.

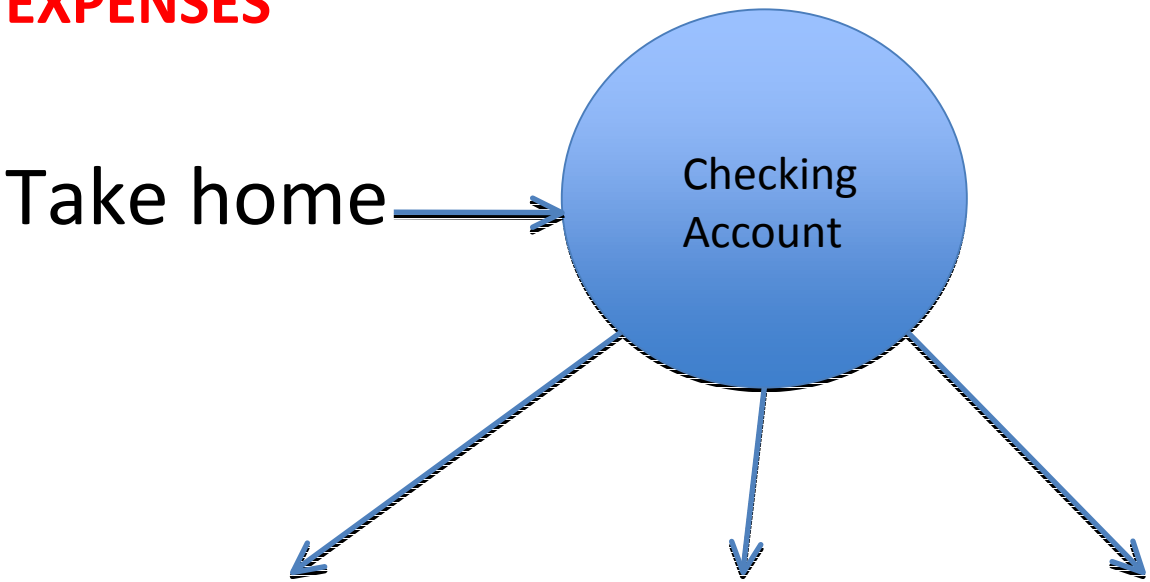
How long before Jackie catches up to Diane?

Jackie and Diane

Interest Rate	5%				
		DIANE		JACKIE	
Age	Year	Contribution	Total	Contribution	Total
20	2012	1,000	1,000		0
21	2013	1,000	2,050		0
22	2014	1,000	3,153		0
23	2015	1,000	4,310		0
24	2016	1,000	5,526		0
25	2017	1,000	6,802		0
26	2018	1,000	8,142		0
27	2019	1,000	9,549		0
28	2020	1,000	11,027		0
29	2021	1,000	12,578		0
30	2022		13,207	1,000	1,000
31	2023		13,867	1,000	2,050
32	2024		14,560	1,000	3,153
33	2025		15,289	1,000	4,310
34	2026		16,053	1,000	5,526
35	2027		16,856	1,000	6,802
36	2028		17,698	1,000	8,142
37	2029		18,583	1,000	9,549
38	2030		19,512	1,000	11,027
39	2031		20,488	1,000	12,578
40	2032		21,512	1,000	14,207
41	2033		22,588	1,000	15,917
42	2034		23,717	1,000	17,713
43	2035		24,903	1,000	19,599
44	2036		26,149	1,000	21,579
45	2037		27,456	1,000	23,657
46	2038		28,829	1,000	25,840
47	2039		30,270	1,000	28,132
48	2040		31,784	1,000	30,539
49	2041		33,373	1,000	33,066
50	2042		**35,042**	1,000	**35,719**
TOTAL OUT OF POCKET		**10,000**		**21,000**	

Define your starting point

EXPENSES



Checks
- Mortgage
- Utilities
- Loan Payments

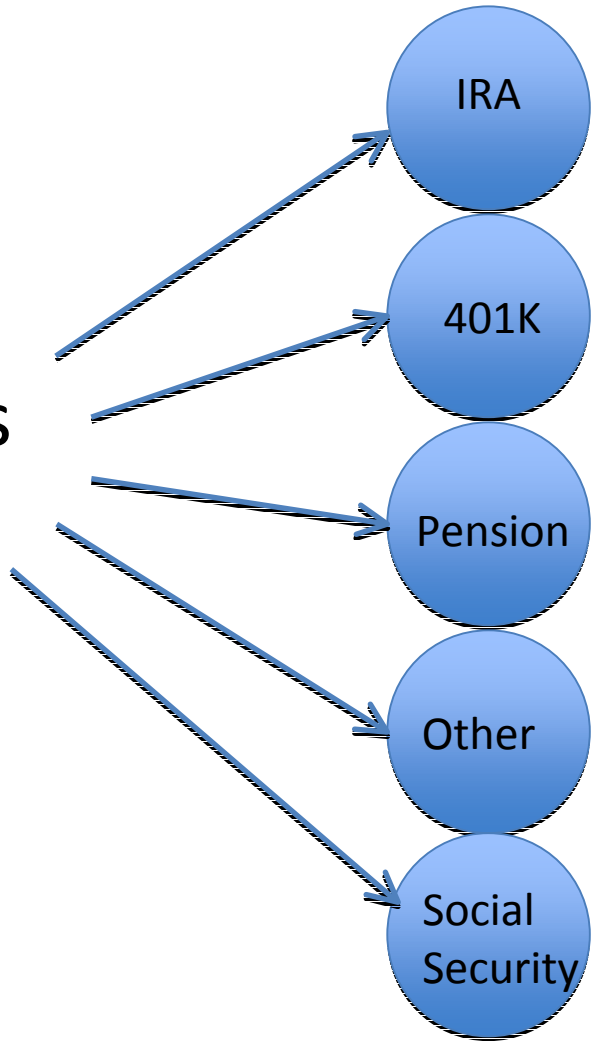
Cash

Credit Card Payments
- Food / pantry / restaurants
- Gas / repairs / tolls
- Home Maintenance
- Medical
- Clothing
- Gifts

Define your starting point

SAVINGS

Contributions



Build your Roadmap

ASSUMPTIONS:

- expenses inflate by 3% per year
- salary (and therefore you savings contributions increase 4% per year
- savings grow at 5% per year

EXTRAPOLATE expenses and savings out to your retirement age

ADJUST expenses after retirement

- Will you still have a mortgage?
- Will you still require office attire?

EXTRAPOLATE further out into your retirement years

Build your Roadmap

PRE-RETIREMENT

EXPENSES

	mortgage	car	food	TOTAL
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				

SAVINGS

IRA	PENSION	401K	TOTAL

Check your milestones

UPDATE YOUR DATA ONCE A MONTH

ANALYZE AND ADJUST YOUR MODEL ONCE A YEAR

Analyze your destination

For the purpose of this study, assume you convert all your savings into one account that you will draw from. (Of course, you can take an annuity)

Expenses will be covered by

- Social Security
- Savings

Assume your expenses and Social Security increase at 3% per year
Assume your savings increase at 5% per year.
Calculate how long your savings will last. Hopefully, they will last longer than you will.

Analyze your destination

For example:

Let's assume

- savings project to $500,000
- expenses project to $40,000 per year
- Social Security projects to $25,000 per year

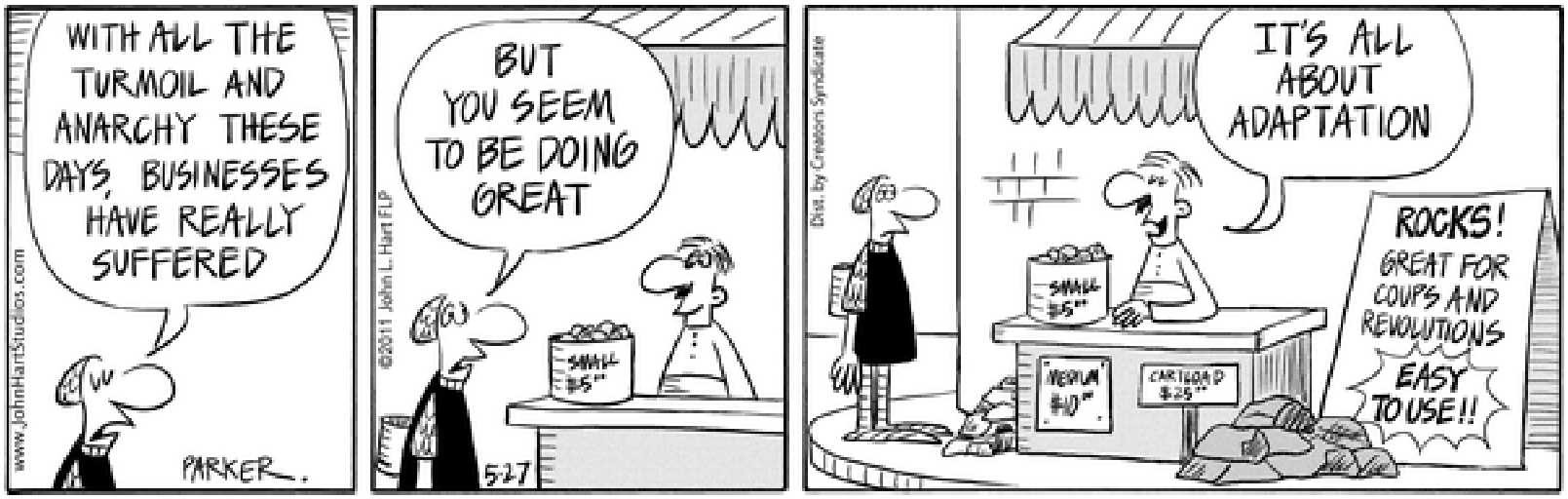
So you will have to withdraw $15,000 from your savings each year.

An interest rate of 5% on your savings, will produce $25,000 per year

- take $15,000 out for expenses
- leave $10,000 in for inflation and rainy days.

In essence, you'll be living off Social Security and the interest from your savings; and you never touch your principle.

This way, you'll have enough money for a nursing home in your last few years.



Above all, maximize your contingencies….

The best laid plans of mice and men often go awry.

Robert Burns