

The *Journal of Financial Planning* in April published new guidelines suggesting how much individuals should save for retirement. The guidelines are broken down by age and income and also allow for deductions for retirement savings already accumulated.

## Suggested savings rates for different income levels

<b>Income at Age 35</b>	<b>Savings Rate</b>	<b>Deduction for each \$10,000 already saved</b>
\$20,000	8.6%	1.75%
\$40,000	12.2%	0.86%
\$60,000	14.6%	0.55%
\$80,000	16.4%	0.43%
\$100,000	17.6%	0.34%
<b>Income at Age 45</b>		
\$20,000	12.4%	1.76%
\$40,000	18.0%	0.90%
\$60,000	21.4%	0.59%
\$80,000	24.0%	0.45%
\$100,000	26.2%	0.37%
\$120,000	28.2%	0.31%

*Source: Journal of Financial Planning, April 2007*

The new retirement savings guidelines say individuals should strive to accumulate the following amounts by age 65, assuming they retire at that age. The required savings figures differ by income level and take into account Social Security.

## Savings needed at age 65 to meet retirement needs

<b>Pre-Retirement Income</b>	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000
<b>Required savings</b>	\$68,650	\$194,775	\$349,637	\$523,658	\$702,467	\$919,594

*Source: Journal of Financial Planning, April 2007*