

# Retirement

## Why Start Now

### What is Retirement?

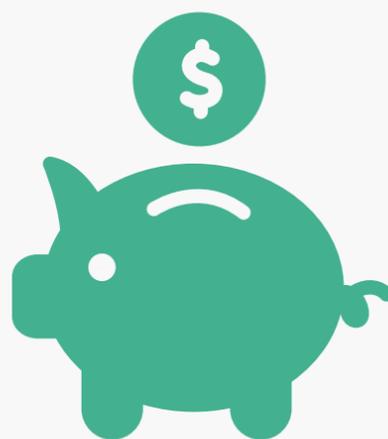


When a person permanently stops working. The age of retirement is typically 65 years old. After retiring, a person receives benefits depending on how much they worked, their savings, investments, etc. that they will live on to until the end of their lifespan.

How much you should save depends on factors such as:

- lifestyle goals
- expenses
- where you would want to spend your retirement at

### How much should you save?



### How to save/invest

The Rule of 72 formula

$$t \approx \frac{72}{r}$$

- t** = Number of periods it will take for the investment to double
- r** = The interest rate or rate of return per period, expressed as a percentage

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### Consider Insurance



### Start investing as early as possible

| BUDGETARY ITEM                  | ALLOTTED PERCENTAGE OF MONTHLY INCOME |
|---------------------------------|---------------------------------------|
| Housing or mortgage payments    | 25-35%                                |
| Food                            | 10-15%                                |
| Medical, home or auto insurance | 10-25%                                |
| Transportation or auto services | 10-15%                                |
| Savings                         | 15-20%                                |
| Health                          | 5-10%                                 |
| Clothing                        | 5%                                    |
| Entertainment and leisure       | 5-10%                                 |
| Personal expenses               | 5-10%                                 |

**Create a budget percentage**

### Why Plan?



Planning for retirement is essential to living a comfortable life without worrying about expenses in old age. With plans in place, a person will know how they will spend the rest of their life - their lifestyle, where to live, and expected expenses and costs.