



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS

- NEWS RELEASE -

FOR IMMEDIATE RELEASE

Tips To Consider When Planning For Your Retirement

EDWARDSVILLE, IL, June 10, 2009 -Today's challenging economic environment has forced many Americans to review their retirement planning goals. To help you through these turbulent times, the Federation of American Consumers and Travelers (FACT) has gathered a few tips from the experts:

Tip No. 1: Start with "Magic #1" ...

If you were to retire today, what amount of money would you need to have in order to live the way you want to live? Establishing that number is relatively simple: Figure out your average monthly cost of living, including set-asides for emergencies, and subtract items of expense that you may no longer need to worry about at retirement age (e.g., mortgage payments, a second car, and major medical insurance premiums). Then multiply by 12 (the number of months in a year) in order to achieve Magic #1.

Tip No. 2: Take Inflation Into Account ...

A dollar today won't be a dollar tomorrow. Assuming an annual inflation rate of 3 percent, \$25,000 of savings today will need to grow to more than \$50,000 over the next 25 years in order to buy the equivalent amount of goods. This means you'll need to *double* "Magic #1" in order to attain "Magic #2."

Tip No. 3: Think About Longevity ...

In 1935, life expectancy at birth was 62 years. Fast-forward 70 years and the average life expectancy reached 78. More relevant ... on average, someone who attains the age of 65 can expect to live another 20 years! So ... you'll need to multiply "Magic #2" by at least 20 to arrive at "Magic #3": the amount of money you'll need to stockpile by the time you are ready to stop working.

Of course, there are so many variables involved (interest rates, rate of inflation, life expectancy figures, etc.) that "Magic #3" is, at best, a rough approximation of how much you'll really need.

Vicki Rolens, managing director of FACT, says, "As we collected the above suggestions, one major truth became evident: Each of us needs the help of a trusted financial professional in planning for retirement. How much to invest and where to invest requires the steady hand of someone who knows the perils and possibilities of the financial world, and who can fit that knowledge to each individual's special circumstances and needs."

This news release is issued as a service of the Federation of American Consumers and Travelers (FACT). FACT was formed under the not-for-profit corporation laws of the District of Columbia in 1984, and currently serves more than 1 million consumers nationwide. Additional information on FACT may be found in the *Encyclopedia of Associations*, and by visiting the association's Web site (www.usafact.org). FACT does not dispense financial advice, but recommends that all persons contact their own trusted advisor for retirement planning and guidance. The association provides more than 30 benefits for its members, ranging from [medical insurance](#) and [dental discounts](#) to [prescription drug savings](#), [scholarships](#) and [consumer information](#). FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025.

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