Enrolling in a tax-deferred retirement plan is a great first step toward reaching your retirement goals. But how do you know how much you’ll need? Or how much to regularly save?

Thanks to healthier lifestyles and medical advances, we’re living longer than ever. But that means our retirements can be longer than ever. And more expensive.

Many financial analysts estimate you’ll need about 80% of your current annual income to maintain your lifestyle in retirement. And remember, that retirement could well last 30 years, or more.


By answering just a few questions about the type of retirement you envision and your current savings strategy, this interactive tool will estimate how much you’ll need to save, and whether you are on track to reach that amount. If you have a shortfall, the Retirement Income Calculator can also provide tips and testimonials to help fill in the gaps.

Increasing your contribution by even a little now can have a significant impact later. Consider Mary:

Mary, 40, contributes about $1,600 a year (4%) of her annual $40,000 salary to her retirement plan. According to Prudential’s Retirement Income Calculator, when Mary retires at age 65 she can expect her retirement account to provide about $830 a month. But:

• If Mary increases her contribution by just $35 a month, her expected retirement income increases to $930 a month.*
• If Mary increases her contribution by just $70 a month, her expected retirement income increases to about $1,025 a month.*
• And if Mary increases her contribution by just $100 a month, her expected retirement income increases to about $1,125 a month.*

* Based on an average 6% return, compounded annually. Compounding concept is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. Expected length of retirement: 25 years. No taxes are considered in the calculations; generally withdrawals are taxable at ordinary rates. It is possible to lose money by investing in securities. Amounts withdrawn are subject to income taxes. Withdrawals from some employer plans may also be subject to a 10% federal income tax penalty if taken before age 59½. Neither Prudential Financial nor any of its representatives are tax or legal advisors and encourage you to consult your individual legal or tax advisor with any specific questions.

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At minimum, you should contribute enough to qualify for your plan’s full matching contribution, if offered.

Of course, contributing even more than this minimum is better.

Waiting even a few years now before increasing your contributions can have a big impact on how much you can accumulate for tomorrow. To see just how big an impact, try a few “what if” scenarios on our “Don’t Delay” calculator (www.prudential.com/prep/delay).

Saving for retirement is a smart financial move. Saving as much as you can comfortably afford is even smarter.

Remember, you could be retired for 30 or more years. Increasing your contributions by even a little now can have a big impact tomorrow.