

Table 1

Harold and Maude Stevens
Nest Egg Calculation

Number of years until retirement	30
Monthly income desired if they retire tomorrow (\$)	4,000
Multiply by 12 to get	X 12
Annual income desired if they retire tomorrow (\$)	48,000
Multiply by 25 to get	X 25
Nest egg required if they retire tomorrow (\$)	1,200,000
Adjust the nest egg required tomorrow by an inflation rate of 3% to get the nest egg they will require in 30 years (\$)	2,912,715