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| NGPF_LG.png | NGPF Project BankInvesting #3 |

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| Project Summary**Description:** In this Common Core aligned project students utilize online retirement calculators to determine their monthly income and then do a complete budget to see what retirement looks like for them. They compare with peers who planned better/worse than they did to reflect on retirement savings. **Estimated Time:** 90 mins**Grouping:** Individual & group**Internet Usage:** Required**Spreadsheet Skills:** Basic |  | Common Core Learning StandardsMathematical Standards for Practice* 3: Construct viable arguments and critique the reasoning of others
* 5: Use appropriate tools strategically

Anchor Standards for Reading* 7: Integrate and evaluate content presented in diverse formats, including visually and quantitatively, as well as in words.

Anchor Standards for Speaking & Listening* 1: Prepare for and participate effectively in a range of conversations and collaborations with diverse partners, building on others’ ideas and expressing their own clearly and persuasively

Anchor Standards for Writing* 2: Write informative/explanatory texts to examine and convey complex ideas and information clearly and accurately
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Envision Your Retirement

What you can afford to do in retirement depends on your average income while you work, when you start saving, how much you save, and where you invest it, and a host of other factors. In this activity, you’ll envision your life in retirement based on your “input” from your working years.

**Part I: Determine Your Retirement “Inputs”**

To simulate how every retirement plan looks different, fill in this profile for the “Future Retired You” based on the factors below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Factor** | **Your Factor** | **Rule** | **Your Retirement Input** |
| **Annual Salary** | What are the last 2 digits of your phone number?  | Multiply by 100 to find monthly income, then multiply by 12 for annual salary. \*Note: If your last digits are 19 or lower, use $45,000 (the Canada average salary) instead. |  |
| **Age You’ll Retire** | What is the last 1 digit of your social security number or student ID number?  | Add that number to 62 |  |
| **Age You Start Saving for Retirement** | In your home address, what type of street do you live on? | * Dr = 25
* St = 30
* Ave = 35
* Blvd = 40
* other = 45
 |  |
| **How Much You Save Annually for Retirement** | What month were you born?  | Jan = 1% May = 5% Sep = 9% Feb = 2% Jun = 6% Oct = 10%Mar = 3% Jul = 7% Nov = 11%Apr = 4% Aug = 8% Dec = 12% |  |

**Part II: Determine Your Social Security Benefit**

Use the Social Security Administration’s [Quick Calculator](https://www.ssa.gov/OACT/quickcalc/index.html) to determine how much income you can expect, per month, from Social Security, using the details from the chart in Part I and the directions below.

* For birthday, use your birth date. However, for the year, put the year that makes you at least 22 years old - otherwise, the calculator won’t work.
* Use your Annual Salary from the chart above.
* For future retirement date, use the month of your birthday and calculate the year of your retirement based on the Age You’ll Retire from the chart above. (ex: If your birthday is 10/15/1993, and you’re retiring at age 63, your retirement is 10/2056).
* Choose to see your benefit in today’s dollars.
1. My estimated Social Security income per month is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Part III: Determine Your Retirement Savings Available**

Use Vanguard’s [Retirement Income Calculator](https://retirementplans.vanguard.com/VGApp/pe/pubeducation/calculators/RetirementIncomeCalc.jsf) to determine how much income you can expect, per month, from the investments you made in saving for your own retirement, using the details from the chart in Part I and the directions below.

* For how old are you, use the Age You Start Saving for Retirement from the chart above. For when will you retire, use the Age You’ll Retire from the chart above.
* Use your Annual Salary from the chart above (round to nearest $5000).
* For your annual savings rate, use How Much You Save Annually from the chart above (use the highest value in that percentage range).
* You have $0 already saved.
* For what percent of your current income you expect to need, click “Learn more” and use their recommended percent.
* For expected average rate of return, use 7%.
1. My estimated investment income per month is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Part IV: Budget for Retirement**

1. My total income per month is (SS + investment): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Now that you know how much total income you’ll have per month in retirement, it’s time to form a monthly budget to help you envision what retirement looks like for you.

1. Open PowerPoint slides (you have downloaded this file) for the directions on how to create a monthly budget. You’ll walk through it step-by-step to create the budget for your retirement.
2. When you get to the end, if you have a deficit (not enough money), redo your budget until you’re able to make the finances work. You may have to cut things you want!
3. When you get to the end, if you have a surplus (extra money), you may be able to spend more on categories you value to enjoy your retirement (Travel? Gift giving to family? Fun experiences?)