How much do I need to retire?
Fidelity's guideline: Save 10x your income by age 67.

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Key takeaways

- Fidelity's guideline: Aim to save at least 1x your salary by 30, 3x by 40, 6x by 50, 8x by 60, and 10x by 67.
- Factors that will impact your personal savings goal include the age you plan to retire and the lifestyle you hope to have in retirement.
- If you're behind, don't fret. There are ways to catch up. The key is to take action.

That's why we did extensive analysis to come up with age-based retirement savings factors that can help you plan—in spite of those uncertainties. These milestones are aspirational. You likely won't meet all of them. But they can serve as goalposts to help you make a plan to save enough to maintain your lifestyle in retirement.

Our savings factors are based on the assumption that a person saves 15% of their income annually beginning at age 25 (which includes any employer match), invests more than 50% on average of their savings in stocks over their lifetime, retires at age 67, and plans to maintain their preretirement lifestyle in retirement (see footnote 1 for more details).

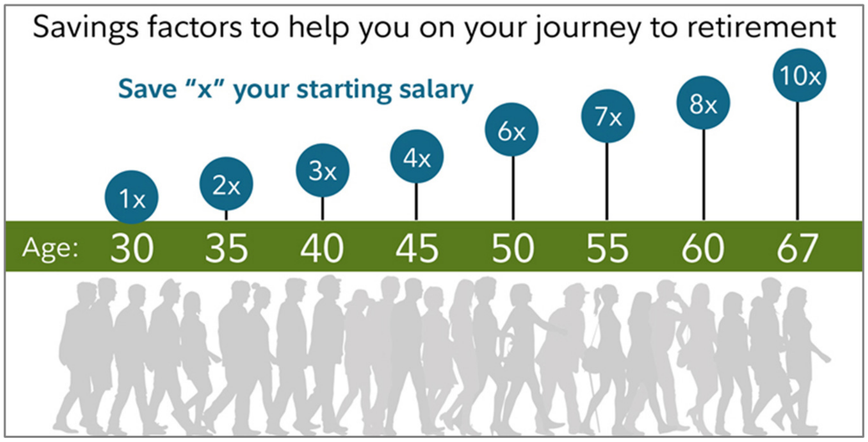
Based on those assumptions, we estimate that saving 10x (times) your preretirement income by age 67, together with other steps, should help ensure that you have enough income to maintain your current lifestyle in retirement. That 10x goal may seem ambitious. But you have many years to get there. To help you stay on track, we suggest these age-based milestones: Aim to save at least 1x your income by age 30, 3x by 40, 6x by 50, and 8x by 60. Your personal savings goal may be different based on various factors including 2 key ones described below. But these guidelines can provide a starting point to help your build your savings plan, and assess your progress.

1. When you plan to retire

The age you plan to retire can have a big impact on the amount you need to save, and your milestones along the way. The longer you can postpone retirement, the lower your savings factor can be. That's because delaying gives your savings a longer time to grow, you'll have fewer years in retirement, and your Social Security benefit will be higher.

Consider some hypothetical examples (see graphic). Max plans to delay retirement until age 70, so he will need to have saved 8x his final income to sustain his preretirement lifestyle. Amy wants to retire at age 67, so she will need to have saved 10x her preretirement income. John plans to retire at age 65, so he would need to have saved at least 12x his preretirement income.

Of course, you can't always choose when you retire—health and job availability may be out of your control. But one thing is clear: Working longer will make it easier to reach your savings goals.



Savings factors to help you on your journey to retirement. By age 30, have 1x your salary, age 50, 4x and age 60, 8x.

2. How you want to live in retirement

In other words, do you expect your expenses to go down when you retire? We call that a below average lifestyle. Or will you spend as much as you do now? That's average. If you expect your expenses will be more than they are now, that's above average.

Let's look at some hypothetical investors who are planning to retire at 67. Joe is planning to downsize and live frugally in retirement, so he expects his expenses to be lower. His savings factor might be closer to 8x than 10x. Elizabeth is planning to retire at age 67 and her goal is to maintain her lifestyle in retirement, so her savings factor is 10x. Sean sees retirement as an opportunity to travel extensively, so it may make sense for him to save more and plan for a higher level of retirement spending. His savings factor is 12x at age 67.

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