

# How Little Can You Live On If Retiring? Here's Formula

The prospect of long-term inflation is playing havoc with incomes of those couples who are planning their retirement, say the editors of Changing Times. Anyone saving money for the day he reaches 65, will have to up that figure considerably for every year before he attains that age.

Today, the minimum figure of \$2,000 to \$2,500 a year to live in "modest but adequate" circumstances is needed by a retired couple. But they can easily use more. They shouldn't expect to get by on much less without real sacrifice or without "invisible income" to draw upon—such things as a home owned outright or furnished free, home grown foods, etc.

This minimum is based on the requirements of a retired couple about 65, living in rented quarters of two or three rooms, city dwellers with no car. It represents a level of living which provides the goods and services necessary to maintain health and allow normal participation in community life, in accordance with current American standards. Social and conventional needs are taken into account. Naturally the level of living is not luxurious, but it provides for more than the basic essentials.

Most couples living on today's average income of \$4,000 or \$5,000 a year, just before retirement, would have little difficulty in adjusting to that minimum.

Couples now living on \$20,000 would have the devil's own time of it, according to the editors.

An approximate yardstick for any couple figuring on what they will need to live on when they retire, can be applied. One third to one half of pre-retirement income is the most widely used measure. But the closer they are to the day of retirement, say the editors, the harder and more precise their figuring should be.

In order to plan your retirement needs, visualize yourself in the retirement years and estimate your various expenses. Eliminate from today's budget such items as the cost of feeding, clothing and raising children, transportation to and from work, savings programs, etc.

Unfortunately, warn the editors, figuring what you'll need by today's cost of living is not realistic. You've got to take into account how inflation will eat into your income.

And there is no guidance that it won't. In fact, expert opinion agrees almost unanimously that living costs will continue to rise over the long haul. There may be short-term interruptions, when prices might decline. But the long-term outlook is for continued inflation.

How much should you adjust this income you've decided upon for the probability of higher prices? There is no way to say exactly and with certainty, the editors continue. Nobody is that good a prophet. You

can, however, protect yourself with a reasonable assumption—one that could prove wrong, but that has an odds-on chance of being right.

Taking into account the long-term inflation of the past, and the best opinions on future prospects, the editors suggest that you up your income estimate by about 2 per cent each year from now until the time you retire.

Suppose, for instance, that you have decided that, were you 65 today, you could retire happily on

\$3,000 a year. However, you're actually 45 and have 20 years to go. Add 40 per cent (20 times 2 per cent) and say that you will need an income of \$4,200. Or, if you retire in 10 years, add 20 per cent to what you figure in terms of to-

day's living costs. Add another 30 per cent if you plan to retire in 15 years, and 50 per cent in 25

This margin for inflation, although roughly calculated, will certainly yield a safe estimate of your future needs.

**MIDWAY**  
DRIVE-IN THEATRE

April 27-May 3

<p><b>KIRMA</b></p> <hr/> <p><b>MENTAL SCIENTIST</b></p>	<p>Sun. - Mon. Jerry Lewis in <b>SAD SACK</b></p>	<p><b>Fri. Night</b> <b>GHOST PARTY</b></p>
<p>Tues. - Wed. <b>DECISION AGAINST TIME</b></p>	<p><b>KIRMA AT MIDWAY</b></p>	<p>Thurs. Only <b>WAY TO THE GOLD</b></p>
<p>Fri. Only <b>3 FEATURES and KIRMA ON STAGE</b></p>	<p><b>ALL WEEK ON STAGE</b></p>	<p>Sat. Only <b>COPPER SKY LUCKY</b></p>

**ODORLESS**  
(NOT ORDINARY)\*

**Dry Cleaning**

**59<sup>c</sup>**

2-Pc. Suits  
Plain Dresses  
3-Day Service  
Cash n' Carry  
Pickup-Delivery  
40c-75c

\*We employ New Bern's finest and most modern odorless dry cleaning equipment and cleaning process.

**Why Pay More When You Can't Buy Better?**

**CITY** Laundry  
Dry Cleaners, Inc.

243 Fleet St. "New Bern's Largest and Finest" Dial ME 7-2991

**KEHOE** STARTS SUNDAY

*In love... in war... they were*

**the Young Lions**

CINEMASCOPE

Based on the novel by IRWIN SHAW



MARLON BRANDO · MONTGOMERY CLIFT · DEAN MARTIN

Based on the novel by IRWIN SHAW

HOPE LANGE · BARBARA RUSH · MAY BRITT

PRODUCED BY AL L'CHTMAN · DIRECTED BY EDWARD DMYTRYK · EDWARD ANHALT

Today and Saturday

**"Gun Fever"**

with **MARK STEVENS**



**"I'm a One-Package Guy"**

Yes, he has found it easy and economical to fill all of his building needs at one time and one place.

General

WHOLESALE BUILDING

... SUPPLY CO. ...

CAROLINA'S LARGEST AND MOST COMPLETE BUILDING SUPPLY HOUSE

HIGHWAY 70 1 1/2 MILES FROM NEW BERN CITY LIMITS