

How Much Can You Retire On? Formula Is Based On Inflation

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, the Kiplinger Magazine. 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.

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 guarantee 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.

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.

How To Figure Your Needs

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.

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



MULES GET THEM THROUGH—In its death throes, winter unleashed a savage blizzard in the East that hit Pennsylvania particularly hard, knocking out communications and blocking major highways with impassable drifts. Impassable, that is, for modern vehicles. Using a mule-drawn sleigh, these Amishmen serenely pass a stalled truck and car on their way to the market in Lancaster, Pa., with milk to be sold. The 46-inch fall didn't hamper them at all.

20 YEARS AGO

Continued from Page 1, Section 1

Rectorians, Lions, Masons and Red Men announced that they had teams ready to participate in the Edenton softball league.

A group of state highway officials presented a program at the Lions Club, emphasizing Governor Clyde Hoey's program for safe driving on the highways.

Arrangements were completed for a meeting of home demonstration club members of the 16th District to meet in Edenton April 14th.

N. H. Yelton, state director of public assistance, was speaker at the Edenton Rotary Club's meeting, when he explained the confusion about the old age assistance phase of the social security program.

Dr. M. P. Whichard was elected president of his class at the University of North Carolina where he was studying public health work.

The Chowan Herald announced

a subscription contest with over \$800 to be given in prizes.

Red Men were in the midst of an attendance contest with Ernest Lee and Gus Bunch captains of the two sides.

The Northeastern District of Federated Music Clubs held its annual music contest in Edenton.

Young Democrats in Chowan County started a campaign to increase their membership.

The 4-H Club work among Negro boys and girls got off to a fine start, with 12 clubs organized and busily at work.

Both sides of the debating team at the Edenton colored high school won in the annual debate by defeating Williamston and Windsor.

Superintendents of public welfare from 12 eastern counties met in the Chowan County Court House when work of a general nature was discussed.

Two pilots, racing their planes to an aerial intersection, had a tie—too bad and two dead!

ROCKY HOCK CLUB MEETS

"The newer fabrics available appeal to a homemaker because of their beauty, their durability, and their ease of laundering and care." Miss Mairdred Morris, home agent, explained to the Rocky Hock Home Demonstration Club members at its meeting. She urged everyone to carefully read labels, save them, and care for the garment as directed by these instructions.

Mrs. Henry Bunch conducted the business meeting. A report from the County Council was given. A special appeal from Elton Forehand, County Red Cross Drive Chairman, was read, requesting the club to help solicit for the current drive.

Members were urged by Mrs. Bunch to attend the "Womanless Wedding" being sponsored by the County Council April 9. Plans were made to help conduct the Cancer Drive in April in the community. The "Homemaker" for Rocky Hock Club was selected.

Two new members were welcomed to the club—Mrs. Thurman Ashley and Mrs. Bill Leary.

The meeting was well attended at the home of the hostess, Mrs. Lonnie Harrell, last Monday night.



ARMY MIGHT HAVE DONE IT—Army Secretary Wilber Brucker holds a model of the Jupiter-C missile at his office in Washington. Brucker told Congress that the Army might have launched an earth satellite two years ago if the Pentagon had not blocked the project.

LIBRARIES CLOSED MONDAY

Both the Shepard-Pruden and Brown Carver Libraries will be closed Monday, April 7, in observance of Easter Monday. This is a state holiday.

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