



LAND OF CRITICAL MASS

PETER HIRSCH

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Term “Land of Critical Mass” for
investment advisor, Bob Brinker

How much savings do you need in
retirement?

- An issue all retirees and about to retire people ask themselves
- Most people do not know
- Most people do not have sufficient savings



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A Few Known Variables

- How much money do you need this year
- What is the amount of your pension and annuities
- How much is your social security

Many Unknown Variables

- What will be the future inflation rate?
- What will be the yearly growth of your investments?
- Will IBM continue to fund the pension and medical supplement?
- Will US Government continue to fund Social Security and Medicare?
- Retirement home expenses
- Will you expenses grow or shrink?
 - More medical expenses
 - Nursing care
 - Fire / Earthquakes damages home
 - Spouse or you pass away



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It is hard to anticipate all problems

Let us start with those problems that we can get a handle on

Let us make some initial assumptions

- Your expenses will be about the same from year to year with increases for inflation
- Inflation will average 3%/year
- Investments will grow at 3%/year above inflation or about 6%/year

