Calculating Your Savings Rate

1. How much to save

We recommend that women choose to save at least 10% of their gross annual pay. These figures are rudimentary, but in general if people are just getting started, here are the percentages by age group we recommend:

18 - 30 years old	10%
31 - 40 years old	12% - 15%
41 - 50 years old	20% - 25%
51 - 60 years old	30% - 40%

2. What about a company match? Does this calculation include the company match?

First of all, what is a match? That is an amount of money that the company will put into a retirement account, either as a matching contribution (sometimes it is 100% up to 3% and then 50% from 4-5%) or a straight profit-sharing contribution. It is super awesome that a company will put money in, but **we do not consider the contribution by the company to be part of the savings calculation**.

This is because saving 10% (or more) serves to both add 10% of your own pay to your retirement while at the same time reducing your lifestyle. The ability to stop working one day is a function of the amount you have saved funding your lifestyle for the rest of your life. A lower lifestyle (living on 90%) achieves that.

3. How to apply savings rates

a. If you have a job with a retirement plan, and you make all your money in that job, it's so easy. Elect the percentage for your age range. Set it and forget it!

b. If you have a job at a company with a retirement plan, but you also have a side hustle, the easiest thing is to calculate your total gross pay for the year (gross pay is pay before taxes come out at both the job and the side hustle). Multiply 10% (or your appropriate percentage) by the total gross pay to get how much you need to save for the year. Then divide *that* amount by your job's gross pay to figure out how much to put into your company's retirement plan.

   example: (Job gross pay + side hustle gross pay) x 10% = savings $$$

   savings $$$ / Job gross pay = savings % for company retirement plan

c. If you have a job with no retirement plan, then you need to multiply the 10% x your gross annual pay. Then divide that by 12 to get a monthly savings contribution. That will be the amount to contribute to an independent retirement account each month (or emergency fund savings/debt repayment—that is discussed later).

d. If you have a job with no retirement plan, but you have a working spouse who *does* have a retirement plan, you could calculate his/her savings rate to reflect your income. Please note—we only recommend this if you are married. In this case you can add up both gross incomes and apply the savings percentage x that number. Then take the dollar savings/the spouse's gross pay. That would be the savings rate for the spouse to choose to be saving on behalf of both spouses.

   example: (Your gross pay + spouse gross pay) x 10% = savings $$$

   savings $$$ / spouse gross pay = savings % for spouse company retirement plan