HOW MUCH SHOULD I BE SAVING OVER TIME?

Kostas Grigorakis, CFA®, Managing Director – Investments, Senior PIM Portfolio Manager

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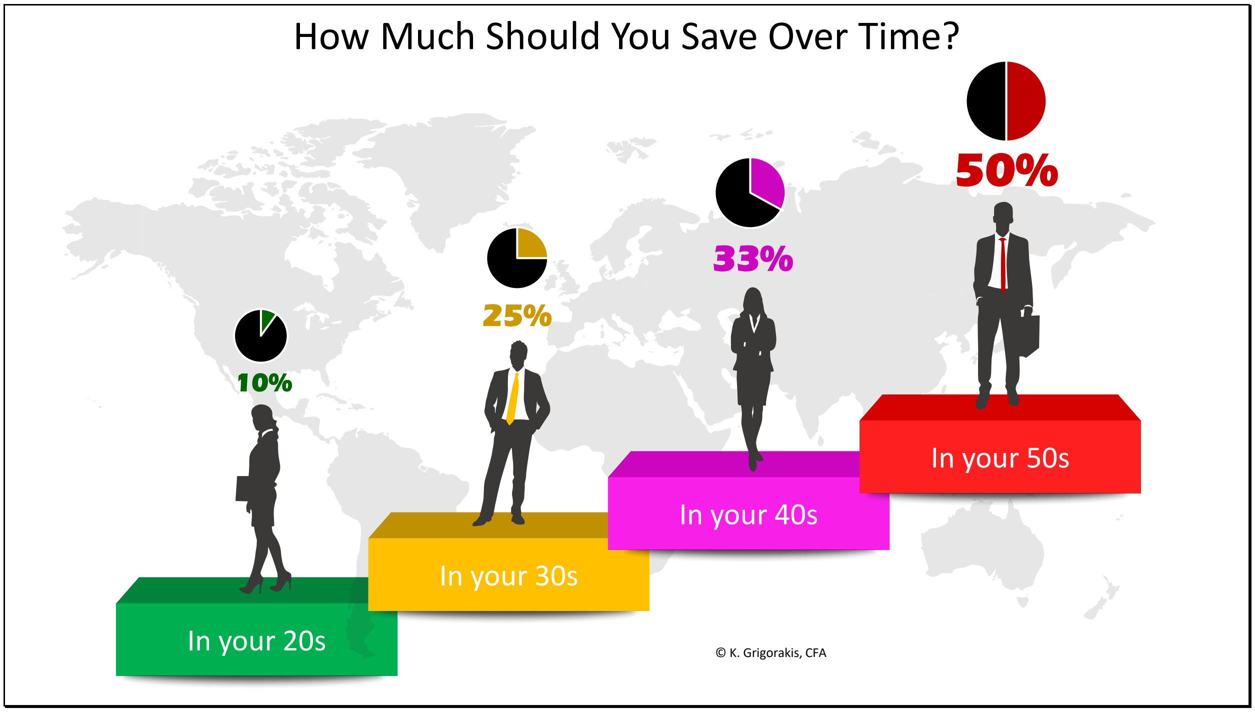

The above is a general suggestion and does not take into account every investor's individual circumstances.

Investors of all ages grapple with this question continuously —and for good reason. Initially, this question may sound more like, 'Should I start saving?' Over time, it evolves into 'How much should I be saving at my age?' And finally, it takes the form of 'Have we saved enough money to retire/be financially independent?'

It may surprise you to know how much complexity surrounds this question and how dangerous the various simplistic answers offered by the popular 'gurus' or generic websites are. Financial goals vary widely amongst individuals, and for many, the earnings trajectory is neither linear nor easily predictable. Additionally, life paths diverge in pace and form, especially in vital areas such as education, childbearing, career development, health, or family challenges (from divorces to the need for extended caretaking of loved ones). Moreover, it's essential to recognize that savings alone, without the exponential power of skillful investing, are likely to fall short.

While the size and tempo of savings are crucial, equally important is the sequence of investment returns on those savings and the behavior of the savings portfolio across consecutive bull and bear market regime shifts (ask us about those two factors that have cardinal significance).

In our practice, utilizing an extensive suite of proprietary analytical tools and drawing heavily on our extensive academic background in modeling and behavioral finance, we have converged on a starting baseline savings schedule that we believe every investor should consider:

- All other factors being equal, to be best positioned to achieve financial independence, fulfillment, or even dominance (for the ultra-high net worth individuals) by their early 60s, investors would be well-advised to save no less than 10% of their earnings in their 20s, a quarter in their 30s, a third in their 40s, and as much as half in their 50s.
- Additionally, it’s crucial to recognize that when savings are more constrained, or financial goals are more ambitious, there is a more pressing need to employ sound investment management. And that is our specialty.

Let’s talk about your trajectory of savings and investments.

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