How Much Should I Save for Retirement Each Month?

Use a concrete age-30 retirement scenario to estimate a monthly savings target, then see how the answer changes with time, returns, and starting balance.

CALCULATOR
Retirement Saver

UPDATED
2026-05-28

ARTICLE
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Last updated: May 28, 2026
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Short Answer

The useful answer is not a universal percentage. It is the monthly amount that connects four inputs: what you have now, the nest egg you want, when you want it, and the return assumption you are willing to plan around.

For example, a 30-year-old with **$50,000 already saved**, a **$1.5 million retirement target at age 65**, and the Retirement Saver's default **7.05% nominal blended return** needs about **$571 per month**. That same target needs about **$894 per month** if the saver starts from $0, and about **$1,129 per month** if they plan around a more conservative 5% return.

Those numbers are planning outputs, not promises. The Retirement Saver is built to run that experiment with your own age, target, accounts, and return assumption.

What "Save Each Month" Really Means

A retirement savings target is a compound-growth problem. Your future balance comes from three sources:

- **Current savings** that can keep growing.
- **Future contributions** that you make each year or month.
- **Investment returns** that compound on both the old balance and the new money.

That is why the monthly amount is not just:

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target amount / months until retirement
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If you tried to save $1.5 million over 35 years with no growth, the simple division would be about $3,571 per month. With a starting balance and decades of compounding, the required monthly contribution can be much lower. The CFPB describes compound interest as earning on both the money you saved and the interest already earned, which is exactly the force a retirement plan is trying to use.

The opposite is also true: if the return assumption is too optimistic, the monthly number can look easier than it really is. A retirement savings plan should be stress-tested, not treated as a guarantee.

Example Scenario: Alex Wants $1.5 Million by 65

Here is one concrete scenario:

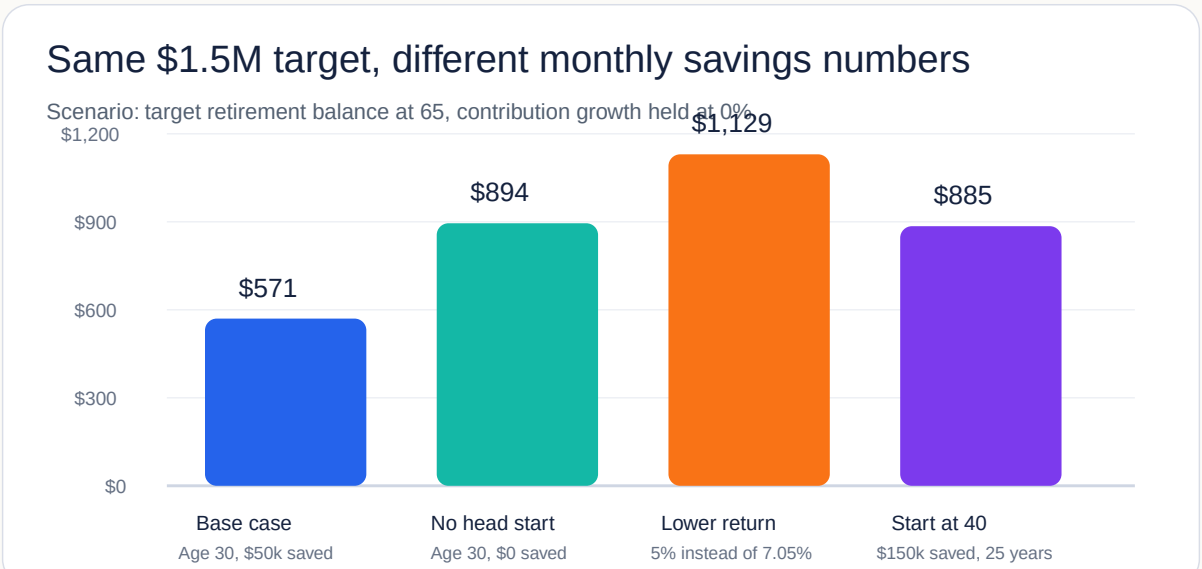
Input	Value
Current age	30
Retirement age	65
Current retirement savings	$50,000
Target nest egg	$1,500,000
Planning horizon	35 years
Return assumption	7.05% nominal
Contribution growth	0%

The 7.05% default comes from the app's simple blended assumption: 80% stocks at 8%, 15% bonds at 4%, and 5% cash at 1%. It is a nominal planning assumption, which means it does not subtract future inflation.

With those inputs, Alex needs about:

Output	Amount
Annual contribution	$6,850
Monthly equivalent	$571
Projected target balance	$1,500,000

That monthly number is the baseline habit. The actual account balance will not move in a straight line because investment returns do not arrive evenly, but the contribution is the action Alex can control.



Lesson: the monthly number is sensitive to time, starting balance, and return assumptions. Test more than one version.

What Changes the Answer

The monthly target moves when you change one of the major assumptions. Here are four versions of the same $1.5 million goal.

Scenario	What changed	Monthly amount
Base case	Age 30, $50,000 saved, 7.05% return	$571
No head start	Age 30, $0 saved, 7.05% return	$894
Conservative return	Age 30, $50,000 saved, 5% return	$1,129
Start at 40	Age 40, $150,000 saved, 7.05% return	$885

The table shows why two people with the same retirement target can need very different monthly numbers. A strong starting balance can reduce the required contribution. A lower return assumption can raise it sharply. Starting later usually raises it because there are fewer compounding years left.

Should You Use a Percentage Rule?

Percentage rules are useful for a first guess. Saving 10%, 15%, or 20% of income is easier to remember than a compound-growth model. But a percentage rule cannot see:

- Your current balance.

- Your target retirement age.
- Your actual target nest egg.
- Your portfolio assumption.
- Employer match.
- Paused years, catch-up years, or contribution increases.

If you earn $80,000 and save 15%, you are saving $12,000 per year, or $1,000 per month. For Alex's base case, that is more than the $571 solved amount. For someone starting later, it may not be enough. The point is not that 15% is right or wrong. The point is that you should translate the rule into a plan and see whether it lands at the target.

How 2026 Contribution Limits Fit In

Contribution limits matter because they create practical ceilings for tax-advantaged accounts. For 2026, the IRS announced a **$24,500** employee contribution limit for 401(k), 403(b), most 457 plans, and the federal Thrift Savings Plan. The IRA contribution limit increased to **$7,500**. Catch-up limits apply for eligible older savers.

Those limits are not the same thing as your required contribution. In Alex's base case, the solved amount is about $6,850 per year, well below the 2026 401(k) employee deferral limit. A higher-income saver trying to retire early may need more. A saver with a large existing balance may need less.

One way to use the limits is as a benchmark:

Contribution plan	Annual amount	What it means
Alex's solved amount	$6,850	The amount needed for this $1.5M target under the stated assumptions.
2026 401(k) employee limit	$24,500	A tax-advantaged ceiling for many workplace plans, not a universal requirement.
2026 401(k) plus IRA limits	$32,000	A useful high-savings scenario if the saver is eligible and cash flow supports it.

If Alex contributed the full $24,500 per year for 35 years under the same 7.05% assumption, the projected balance would be much higher than $1.5 million. That is not bad. It just means the target, retirement age, or later contribution plan should be reviewed instead of blindly saving the maximum forever.

Use Contribution Growth if Raises Are Part of the Plan

Many people cannot start with the perfect number. A better question is:

> What can I start with now, and how much should it grow as my income grows?

In the same Alex scenario, a flat contribution needs about **$571 per month**. If Alex plans for contributions to rise 3% per year, the first-year monthly amount falls to about **$402**, but the later-year contributions rise with the plan.

That can be realistic for an early-career saver whose income is likely to grow. It can also be dangerous if the raises never arrive or lifestyle spending absorbs them. The Retirement Saver includes a contribution-growth input so you can decide whether that tradeoff is honest for your situation.

A Practical Way to Run Your Own Number

Open the Retirement Saver and enter:

1. Your current age.
2. Your target retirement age.
3. Your current retirement savings.
4. Your target nest egg.
5. A return assumption you are willing to plan around.

Then run three versions:

Test	Why it matters
Base case	Shows the monthly amount under your current best assumptions.
Lower return	Shows whether the plan depends on an aggressive market assumption.
Later or earlier retirement age	Shows whether the timeline is doing more work than the contribution.

If your solved monthly number is too high, do not stop at "I failed." Change one lever at a time. Retire later, lower the target, plan contribution growth, add an employer match, or use the full Retirement Calculator to test whether the target itself is too conservative or too thin.

When This App Is Not Enough

The Retirement Saver is for accumulation. It helps you answer "What should I contribute?" and "Am I still on track?"

Use the Financial Independence Planner when the question becomes:

- What age can I retire with this monthly spending?
- What can I spend if I retire at a specific age?
- How much does changing the retirement age move the answer?

Use the deeper Retirement Calculator when the question becomes:

- How much can I spend in retirement?
- How should Social Security timing change the plan?
- What happens if bad market returns arrive early?
- Which withdrawal strategy should I use?
- Can I retire before 59 1/2 or before Medicare?

Those are retirement-income questions. They need withdrawal modeling, not just savings accumulation.

Sources

- IRS - 401(k) limit increases to $24,500 for 2026, IRA limit increases to $7,500
- IRS - Retirement topics: contributions
- U.S. Department of Labor - Retirement Savings and Planning
- U.S. Department of Labor - Retirement Savings Toolkit
- CFPB - How does compound interest work?
- Investor.gov - Tools and Calculators

Next Step

Run your own version in the Retirement Saver. Start with your real current balance, then test one lower-return scenario before you trust the monthly number.

Then read Are You On Track for Retirement? to interpret that monthly contribution as a gap check you can revisit over time.