

Dear Rafi,

First off, I really missed you. It was so nice seeing you for dinner! We should absolutely do that again, and maybe you can come to Virginia this time. I realize that's a big ask but come on, you can do that for me! Secondly: dude. Take your retirement seriously. I understand that you have a plan and that you do intend to save, which is great. First steps and everything, but let me explain again, more persuasively this time (hopefully), why you might want to consider a stronger plan.

Saving \$300 a month starting when you are 35, and then planning to retire at 65, is just a bit foolish. Maybe you have around \$200,000 saved up when you retire. That sounds great now, but you will burn through that like nobody's business. You won't be working, so no more money coming in, and you probably will want to travel or do some activity you enjoy to fill your time, which both cost money. Not to mention money for food, travel, living places, and a billion other things. I know you. You like to go out camping and see as many places as you can. And right now it doesn't seem like a lot, but it will be. Basically, what I'm saying is that cash has a way of disappearing quickly, and you will need more.

Now let's say you saved \$750 every month starting at 35, instead with an interest of 4.8% (which is really good considering what the world (and economy!) has been going through recently). You would have just over \$600,000 saved, which is \$400,000 more than what you would get with just saving \$300 a month. That is going to go a long way. Plus, around \$330,000 dollars of that is just interest earned! Is that not crazy to you? Does that not blow your mind? Now imagine you start saving your original \$300 starting right now, at age 22. Then you up that amount to \$600 when you are 35 because you will be making more money (yay!). If you still plan to retire by 65, you would have just over \$750,000 saved. Let me repeat. \$750,000. That is over \$150,000 more than the last scenario I proposed. Your interest this time would be \$150,000 more this time as well, at just above \$490,000. In just interest. Hooray!

Now that's me saying everything in your life goes perfectly and you never need to dip into your savings, which is just crazy talk. We both know that. So how about this: you go through the same saving pattern I just proposed. But then you hit 55 (so far away!), and you get in an accident. You need 20,000 for your car repairs (again, hypothetical, I hope you never get in an accident). You draw from your retirement fund. Totally fine. You also decide, "Hey, I've been putting a lot in there, I'm not gonna put any more in my retirement fund because I need to start paying off this mortgage (I really don't know but let's say you do)". Then, you need 20,000 again when you are 60 for whatever reason. Still good, you take it out of your retirement fund again. You still plan to retire when you are 65, and when you do you have around \$700,000 to live off of. That's great news! It might not be the \$750,000 you would have planned to have, but hey, that's life. Nothing goes according to plan

At the end of the day, just saving more when you reach 35 you do you a huge favor in the long run. Even having \$600,000 is better than \$200,000 you would have saved by just saving \$300 a month, you must know that. I don't say any of this with the intention of making you feel bad or thinking your plan is silly. Most people our age aren't even thinking that far into their future, so you really are trying, and that makes me happy. It would just do you better to think about this more logistically, and not as a place that one day you will need. You need to see that this is your future. You need to be able to take care of yourself, because I couldn't bear to

see you having to work longer than you want to because you don't have enough money saved. I love you Rafi and I don't want to see you struggling. I never do.

Oof! That got heavy. I say all that with love. Just trying to look out for you. Again, please let's see each other soon! I hate the stretches where I don't get to enjoy your company!

Hope to see you soon and love you,
Midge Costello

Scenario	Nest Edd (age 65)	Amount Personally Invested	Interest Earned
1	\$606,610.61	\$270,000	\$331,610.61
2	\$754,023.13	\$262,800	\$491,223.13
3	\$701,417.91	\$226,800	\$474,617.91