

# How To Retire with A Million Bucks.

**By  
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## **Dedication**

For all those that want to take control of their own money  
and to prove to yourselves that you can a better job

## **How to Retire with \$1 Million**

How does one retire with one million dollars? And do you really need that much money? If not one million how much

do you really need? Has anyone ever sat you aside and said “ I think it is time for us to talk about your retirement and how much money your going to need if you want to retire and still live life the way you want to.”

No? I didn't think so, I'm almost 50 and still no one has come to my door for that conversation, I don't know maybe they did and I was not home. Well they didn't leave a note or schedule another appointment. So far I guess I am on my own with this one as I am sure most everyone else is too.

Here is an interesting story I read online.

One weekend a few years ago my brother-in-law was visiting. We sat on our back deck, sipping iced tea and talking about early retirement. He was 60 at the time, and looking forward to retiring from his engineering company at age 62.

"Yeah, we've made our number," said his wife.

"Your number?" I asked. "What's that?"

"The money you need to retire," she explained. "For us it's \$1 million."

"Nice," I said. "Well, good for you. Is that \$1 million each, or \$1 million together?"

"It's \$1 million each," she explained. "That's what the experts say you need to retire."

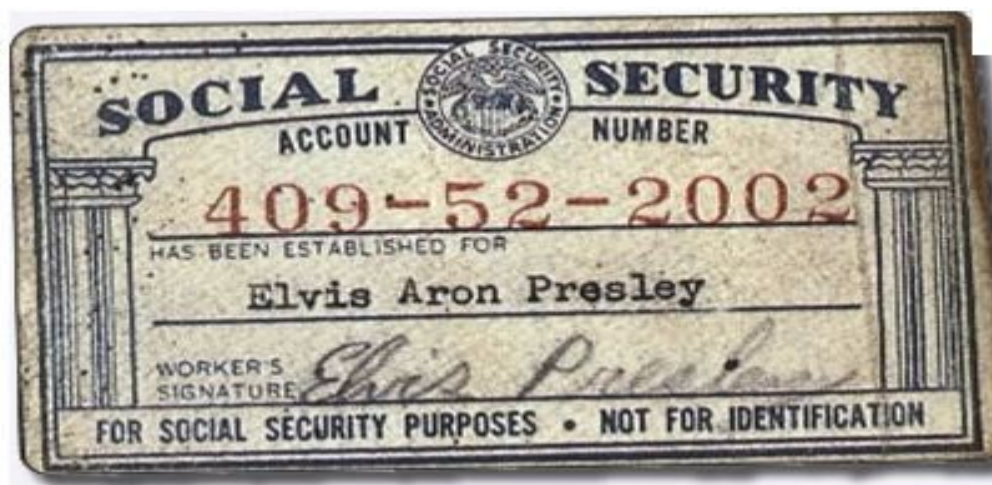


*Wow, I thought, you need \$2 million to retire?* They did come from Massachusetts, which is an expensive place to live, so maybe their number was higher than average. But still, if they withdraw the typical 4 percent a year, they will be pulling in \$80,000 annually.

My first reaction was panic. Where do you get a million dollars so you can retire? But then I got to thinking about it, and I realized that \$1 million is really a symbol of the resources you need to produce a \$40,000 annual income throughout retirement. If you save \$2 million it could produce \$80,000 in annual income, which might be more appropriate if there are two of you and you want to live in a high-cost state like Massachusetts.



So how do you get \$1 million? You pull together a portfolio of resources that altogether make you a millionaire. Here's how to retire with \$1 million:



**Social Security.** The average monthly Social Security benefit at the beginning of 2012 was \$1,230 a month, or \$14,760 a year. At a 4 percent return, that's like having \$370,000 in your personal portfolio. Right there, that's more than a third of what you need to retire.



**A pension.** Do you have a pension? If you're entitled to a \$20,000-a-year pension, that's the equivalent of having another half million dollars in your portfolio.



**An IRA.** The average person with an IRA account currently carries a balance of about \$70,000. But that includes a lot of young people. The average balance for those nearing retirement is closer to \$150,000.



So if you add together a typical Social Security benefit, a modest pension, and an average IRA benefit, you come up with a total of a little over \$1 million.

Only you can decide if \$1 million--or \$40,000 a year--is enough for you to live on in retirement. It probably is, if you live in a low-cost region of the country, no longer have any dependents, and if you're a frugal person with your own home and a paid-off mortgage.



My brother-in-law and his wife did retire, as planned, with their \$1 million each. They cobbled this amount together from his pension, their savings, and their IRAs, plus a little extra from selling their family home and moving into a smaller two-bedroom house.



But they had three grandchildren and more on the way, and they wanted to start a college fund for their grandchildren. They also spent more than they'd planned to fixing up their new house. Then they decided they wanted to do some traveling as well. They needed more money. So what did they do?



**Go back to work.** My brother-in-law found a position teaching a chemistry course at a community college. His wife took a part-time job with a social services agency, helping immigrants adjust to life in the U.S. Together, they supplemented their retirement income by about \$20,000 a year--the equivalent of having another half million dollars in the bank.

It's a good idea to have a number in mind when you make plans to retire. The number may seem astronomical at first, but it's easier to get there than you might think at first. However, keep in mind that your retirement number can change, depending on how much you want to be able to spend in retirement.



Now that was an interesting story that probably rings true for most people, meaning that most people have no clue what it is going to take to retire comfortable and if they did how were they going to come up with a million dollars if that was their number?

I like stories like this where it say “most professionals say you can earn 4% a year” With the [10minutetrading](#) strategy 4% is easy to get in one month if followed correctly. I also like where the story tells the other sources of income and attaches a value to it, like social security, a pension and maybe an IRA. They all add value and could be used to offset the goal you think you really need.

As I was saying with the 10 minute trading strategy, investing in dividend paying stocks and just collecting the dividends without holding the stock all year. You can double or triple what some of these experts are getting. A return of 4% can easily be achieved with little effort.

Now don't get me wrong here I am sure there is a reason that these so-called experts are only offering out 4%, and I am not saying I agree with their investing philosophies and I can not see how anyone claiming to be a professional can only get 4% but such is life. If you are comfortable with that then that is great, stick with ...I say.



Check out the first and second line of these managed funds. Monthly returns are not over 1.2% and yearly is close to 12%. These are better than the 4% some of the professional traders mentioned in the above article (which I copied from Yahoo Finance).

There are hundreds of fund managers out there and if you scourer the internet you will find some more. Who is right for your money and should you do it yourself?

As I tell all my clients right up front... You need to know the right questions to ask before you begin.

How much money do you need? Be realistic! Wanting and needing are two different things. A mansion would be nice but do you really need it? A Rolles Royce or Bently are both sweet rides but are they really necessary? Figure out your bare minimums in all your living expences so you come out with your bare bones minimum amount your are going to need to shoot for.

Coming up with a monthly dollar expenses amount is first step. Accuracy is very important, you want to make sure you leave nothing out and all your bills are covered. Just the absolutely vital ones. After you have this amount in mind you are going to need to add some miscellaneous expenses, cost of living increases and some emergency money and fun money too(retirement has to be worth living too). It is very important not to get to carried away when doing this, this is just one months worth of bills. Multiply this number by 12 and that will give you the amount of money for one year and your investment had better give you that much money if not a little more.

Depending on your plans are you looking to take an active role in your investments or let someone else take care of that for you? Your ROI (return on investment) is going to be the biggest factoring number in your financial future. This number when multiplied by the amount of money you have will give you and idea of how much money you are going to

yield from your investment. The higher that number the more money you make.... simple as that. There is always a balancing act between how much money you have and how much money you need coupled with the ROI. The more money you have then chances are the less active role you will need to play in your finances.

On the flip side... if your funds are less than appropriate for your desired retirement lifestyle then you will have to play a more active role in your monies future.

Once you have that key retirement goal and your current financial situation written down, now it is time to make a plan to see what is available as a course of action.

When investing for a specific dollar amount in mind it is always good to have a few numbers to work with.

Starting capital...\$\$ Amount needed to retire...\$\$\$ time frame of when you want to retire...?

Here is a couple links to two compound interest calculators, one is for figuring monthly compounding and the other for weekly compounding. There is a how to video that explains how to use them for the purpose in which they were built. [Monthly compound calculator](#), [Weekly compound calculator](#).

**MONEY MAKES LIFE EASIER**  
MONTHLY COMPOUNDING  
CALCULATOR

Initial Deposit	\$ 15000
Periodic Deposit	\$ 200
Deposit Frequency	Monthly ▾
Interest Rate	3 %
Time Frame	Yearly ▾ 10
<input type="button" value="Compute Savings"/>	
Ending Balance	\$752146.92
Total Amount Invested	\$39000
Total Interest Earned	\$713146.92

**MONEY MAKES LIFE EASIER**  
WEEKLY COMPOUNDING  
CALCULATOR

Initial Deposit	\$ 1000
Periodic Deposit	\$ 100
Interest Rate	2.00 %
Deposit Frequency	Weekly ▾
Whether deposits are	End of period ▾
Time Frame	Yearly ▾ 1
<input type="button" value="Compute Savings"/>	
Ending Balance	\$11801.97
Total Amount Invested	\$6200
Total Interest Earned	\$5601.97

\* Monthly deposits will be 1 deposit every 4 weeks (13 deposits / year)

As you can see they are both pretty similar as they they calculate your money either weekly or monthly. Why am I including these in here?

Most all commercial banking and investment firms always calculate returns over a 12 month period. Completely ignoring that fact that there are shorter terms for investing, such as weekly and monthly. With this information you can adjust your retirement needs to a more manageable, easily attained number.

The title of this book is how to retire with a million dollars and I felt a little Leary in doing so, only because everyone is different. Everyone has different needs, different assets to work with and different time frames in which they want to retire ect. So how can I tell you how to retire with a million dollars if I have no clue as to where you are in your journey right now.

I can give you a couple examples and you can adjust them to suit your needs.

These following examples are real examples.

One Friend recently married at age at 45, his wife 45 also. He is a spender, he likes to buy stuff and doesn't have any money saved for his future. His new wife has a little put away but not even enough to buy a new car. He works as a chef making \$45k a year she is the big earner as a private school administrator making \$75k. Both are used to driving older cars and living rental houses with no huge appetite for over spending.

Retiring at age 60 will give them 15 years to do some serious investing. To continue their current lifestyle @ \$120k per yer they will need to make 20k per month or 5k per week from their non existent retirement account.



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MONTHLY COMPOUNDING  
CALCULATOR

Initial Deposit	\$ 3500
Periodic Deposit	\$ 500
Deposit Frequency	Monthly ▾
Interest Rate	2 %
Time Frame	Yearly ▾ 15
<b>Compute Savings</b>	
Ending Balance	\$998804.11
Total Amount Invested	\$93500
Total Interest Earned	\$905304.11

If they start out with a small \$3500 account and contribute \$500 per month earning just 2% per month they should just shy of 1mill in their 15 year plan. They end up with \$998,804 and if we take that money and continue with the investment plan of just 2% per month... it will yield close to 20k per month. Which will continue their lifestyle as it was when they were working.

I know this example does not take into consideration of the cost of living increases, inflation or any other factors... it is more or less a rough outline.

If you are thinking that 2% per month is unrealistic... think again. 2% is a conservative number when you know what you are doing.

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MONTHLY COMPOUNDING  
CALCULATOR

Initial Deposit	\$	998804.1
Periodic Deposit	\$	
Deposit Frequency		Monthly ▾
Interest Rate		2 %
Time Frame	Monthly ▾	1
<input type="button" value="Compute Savings"/>		
Ending Balance		\$1018780.18
Total Amount Invested		\$998804.1
Total Interest Earned		\$19976.08

As you can see the settings on this calculator allows you to use it to figure out returns you need to get how much money you will need to invest every month. Also the ending balance can be entered into the “Initial Deposit” spot and you can calculate interest earned for that period of time.

Our next couple have been married for 2 years and she is 29 and he is 32. She is a retailer only making \$27k per year and he is a semi professional making \$34k. They do have more time but they make less money and they need less money to retire comfortably. \$61K per year is their retirement goal and about 30 year to make their million.

Starting with the same \$3500 and only receiving 1.6% per month and no more money added to their account at all. They make just over 1mill in the 30 years.

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MONTHLY COMPOUNDING  
CALCULATOR

Initial Deposit	\$ 3500
Periodic Deposit	\$
Deposit Frequency	Monthly
Interest Rate	1.6 %
Time Frame	Yearly 30

Compute Savings

Ending Balance	\$1061213.84
Total Amount Invested	\$3500
Total Interest Earned	\$1057713.84

**MONEY MAKES LIFE EASIER**  
MONTHLY COMPOUNDING  
CALCULATOR

Initial Deposit	\$ 1061213
Periodic Deposit	\$
Deposit Frequency	Monthly
Interest Rate	1.6 %
Time Frame	Monthly 1

Compute Savings

Ending Balance	\$1078192.41
Total Amount Invested	\$1061213
Total Interest Earned	\$16979.41

As you can see that total amount gives them \$16979.41 per month with no changes to their investments or their strategies.

Work the equations backwards and that will tell you how much money you need to invest and what % returns you are going to need to make in order for you to retire with one million dollars.

Of course along the way life will happen and adjustment will need to be made... At the10minutetrader that is exactly what we teach.

Working for a retirement goal is not a difficult activity to put into effect, deciding to do it and actually sticking to it are going to be to different things.

Life happens as the days go by, sticking to your financial plan is vital if you want to reach that million dollar mark.

Of course these numbers will change dramatically when and if they decide to invest for weekly returns.

To conclude this on a bright note, you need to decide where you are, where you want to go and when you want to get there. Devise a plan and stick to it.

Til next book

Happy trading

Thank you

James A Gaudino Sr.

other books by the author

#1 [HOW TO GET 10-20 CHECKS PER MONTH](#)

#2 [DIVIDENDS ON STEROIDS](#)

#3 [DIVIDENDS FOR MONTHLY CASH FLOW](#)

#4 [TRADING WITH DIVIDENDS](#)

#5 [RETIRE WITH A MILLION BUCKS](#)

#6 [TOP DIVIDEND STOCKS](#)

