



## Don't Make \$100,000 a Year? Here's How to Retire a Millionaire Anyway

### Description

Good news: to retire a millionaire, you don't have to make six figures a year. Shoot, you don't even have to make more than \$60,000 a year. You just need [the right strategy](#), a little patience, and a whole lot of time. If sunsetting your career with \$1 million or more in the bank is something you want, here's how to make it a reality.

### 1. Start early

Start *now*. The best time to start saving for retirement was yesterday, and the second-best time is today.

When you're aiming for a million dollars in the bank, every second — every minute — counts. To delay your investment plan, so you can "straighten out your life" could cost you money in lost interest. Delay it even longer, and you're starting to lose a hefty sum of retirement income.

Let's do some math for a second.

Let's say you have a \$60,000 salary and you want to retire a millionaire. You're 25 years old. In order to retire a millionaire, all you need to do is save \$360 per month until you hit 67. That's assuming you invest in your money, and your investment portfolio returns 6% (a fairly conservative estimate).

What if you're 35? Assuming all variables stay the same (\$60,000 salary, 6% investment return, desire to be a millionaire), you'll need to save \$730 per month to retire a millionaire by 67.

At 45, you'll need to save \$1,620 per month to retire a millionaire at 67. And at 55? With a \$60,000 salary, your chances of retiring a millionaire aren't exactly realistic.

That's why I can't stress it enough: start saving for retirement as soon as you're financially able. The sooner you start, [the more your money will work harder for you](#).

## 2. Invest your money wisely

Go back to that example above. In it, I assumed a 6% rate of return. Fair warning: you're not going to get that rate of return on savings accounts, GICs, or even bonds. You have to invest your money in the stock market — and you have to do it *wisely*.

Historically, investing in the stock market has been a winning strategy for patient investors. The keyword there is *patient*. Go ahead and throw out the idea that you're going to get rich quick. If you want a surefire way to retire a millionaire, adopt the mindset of “getting rich slowly.” It may not be glamorous, but it sure does work.

For investors who don't want to spend gobs of time picking stocks, balancing portfolios, and stressing over market downturns, you might be better off investing in [index funds](#) or [ETFs](#). In fact, this is famed billionaire Warren Buffett's approach to investing: contribute a consistent amount each month to an index fund, and, over time, you'll get rich.

If you want a more hands-on approach, you can try your hand at building a well-diversified portfolio of stocks. Again, don't be super aggressive with your stocks. Choose stocks that you think have long-term growth potential, then dig in for the long run. This is a much wiser approach than trying to “time” the market or day trading for quick profits.

## 3. Take advantage of tax-sheltered retirement accounts

Finally, don't forget to maximize contributions to both your [RRSP](#) and your [TFSA](#). Both of these accounts allow your money to grow tax-free, which means you won't pay capital gains taxes on your investments. This is huge, as less money paid in taxes means more compound growth.

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**Date**

2025/07/21

**Date Created**

2021/11/22

**Author**

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