



No Savings at 50? No Problem: Here's How to Retire a Millionaire

Description

No, it's not going to be easy. If you're 50 and you have no retirement savings, you'll have to earn your first million the same way millionaires have before: time, grit, and the power of compound interest.

But the good news is this: you still have time to join the millionaire club. If you don't have a dime set aside for retirement, here's what you'll need to save to retire a millionaire.

How much do you need to save to retire a millionaire?

To retire a millionaire, you'll need two things: compound interest and a hefty monthly contribution. Based on some hypothetical rates of return, let's take a look at how much you'll need to invest daily, weekly, and monthly to hit a million by 70.

Invest this much per month...	Compounded at this annual rate of return...	And, in 20 years, you'll retire with this:
\$2,430	5%	\$1,027,855
\$1,950	7%	\$1,016,211
\$1,500	9%	\$1,002,431
\$1,200	11%	\$1,039,659

Of course, these are estimates, not facts. But this will give you a fairly good idea of how much you need to contribute (and at what rate it needs to compound) in order for you to hit a million by retirement.

How to make the math a reality

Take a look at those numbers for a second. With an annual rate of return of just 5%, which you could accomplish with a good [index fund](#) or [ETF](#), you could still retire a millionaire by saving less than \$30,000 a year.

That's a lot of money, which is why you'll probably want to tighten up your budget. Now is not the time to live above your means. You might want to sell things you don't need — say goodbye to that luxury car — or forego vacations you can't afford. Even the smallest of expenses, such as game and video subscriptions, can drag your retirement savings down over time.

But even if you can't save \$30,000 a year, you might not have to. Instead, you could choose your investment wisely. If your portfolio can return 7%, you would need to save \$23,400. And if you can average a whopping 11%, you would only need to save \$14,400 per year.

How can you average 11%? Well, you'll most likely need to invest in individual stocks. And I'm not talking blue chips or large caps either, though these types of stocks might help you achieve some stability. You'll want to invest in some high-quality [growth stocks](#), [value stocks](#), and even those stocks that pay dividends. [Small caps](#) and [micro caps](#) could be good, too, as these have the potential to explode, rewarding you with some hefty gains in the process.

With smart investing choices and good money habits, you can retire a millionaire. Just don't give up. If young Canadian investors and savers in the F.I.R.E. movement (Financial Independence; Retire Early) can retire from their careers at age 40, surely you can save a million dollars before you hit 70.

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