



U.S. markets close in 6 hours 23 minutes

S&P 500

4,401.08
-45.74 (-1.03%)

Dow 30

33,977.45
-311.19 (-0.91%)

Nasdaq

13,624.62
-167.03 (-1.21%)

Russell 2000

1,872.91
-23.87 (-1.26%)

Crude Oil

71.65
-0.14 (-0.20%)

Gold

1,917.70
-9.40 (-0.49%)

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How Much Do You Need To Feel Rich in Retirement?

Yaël Bizouati-Kennedy

June 21, 2023 · 4 min read



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Feeling rich can be a very subjective concept. Yet, being able to [retire comfortably](#) — without having to worry and being able to uphold your quality of life and pursue some dreams — is one way of feeling rich, but it takes work and careful planning.

Retirement Savings: Experts Say This Magic Number Is the Key — and It's Not \$1 Million

See: 3 Ways To Recession-Proof Your Retirement

“Picture a retirement where you’re not just scraping by, but truly savoring life, pursuing your hobbies, traveling at will, and generally



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Symbol	Last Price	Change	% Change
IAU	36.22	-0.07	-0.18%
iShares Gold Trust			
NJR	46.30	-0.76	-1.61%
New Jersey Resources Corporation			



perhaps even 100% or more.

TTEK 162.23 -1.99 -1.21%

Tetra Tech, Inc.



So, how can you achieve this? [Experts shared a few tips that can make your golden years worry-free and make you feel rich.](#)



Determine How Much You Need To Retire and Visualize These Years

While it can be difficult to be exact, you can get very close with proper planning.

“We encourage people to take a really good look at how they envision their retirement so that you can assign a price tag to it,” said Lucas Noble, a certified financial advisor and the founder of [Noble Financial Group](#). “Then using certain inflation expectations and assumptions for modest growth, you can get yourself very close to where you need to be.”

As a general rule, Noble said he encourages clients to save between 75%-100% of their gross income. To calculate this as a lump sum, he said, take the annual income you currently earn, subtract from it any fixed income sources such as Social Security or pension and then multiply that number by 25, he said.

For example, with \$100,000 in current gross income; \$40,000 of expected Social Security, there will be \$60,000 of additional need.

“Multiply \$60,000 X 25—[that’s] \$1.5 million required to provide enough supplemental income to be made whole for the average amount of time an individual spends in retirement,” Noble said.

Adopt a Disciplined Approach to Saving and Investing

Start saving early and do so consistently, as the magic of compound interest means that even small amounts can significantly accumulate over time, Arnold said.

“Take full advantage of your employer’s 401(k) match if it’s available and consider contributing to an Individual Retirement Account (IRA). These accounts offer tax advantages that can give your savings a much-needed boost,” she added.

Another tip is to automate your savings accounts, by setting up automatic transfers to your retirement accounts, as consistency is key.

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4

Create Multiple Sources of Passive Income Into Retirement



There are multiple ways to generate passive income — money not derived from active involvement such as a salary — and some experts recommend not picking just one. These can take the form of real estate investing or side businesses.

“Preferably, create a few sources of passive income that you can dial up or down depending on how much income you want to generate — and the tax consequences of generating that income,” said Jeff McClean, CEO at [Solidarity Wealth](#). “Flexibility and diversification of cash flow sources is essential.”

McClean said he often counsels clients that “being” rich from a balance sheet perspective and “feeling” rich are entirely different things.

“Many wealthy families do not ‘feel’ rich because ‘Cash Flow Is King’ no matter the size of your balance sheet. This is especially true post-retirement where you cannot count on significant growth to your net worth. From our experience, feeling rich is a product of cash flow – not an individual’s balance sheet,” he added.

In addition, McClean stresses the importance of being realistic about your retirement expenses and cost of living as no matter how much cash flow you are creating, none of it matters if your costs are out of control.

“You should not expect that your cost of living should be dramatically lower than it is today just because you retired. Be honest about your own financial habits and retirement goals, including the ever-rising cost of medical care,” he added.

Work With a Financial Advisor or a Certified Financial Planner

Part of feeling rich during retirement is having the peace of mind that you properly prepared and planned for your retirement, said Joseph Doerrer, VP of wealth planning, CPA, CFP at [Mezzasalma Advisors](#).

“They can help you maximize your retirement funding, project how much you should be saving annually to reach your retirement lifestyle goal, and act as a trusted advisor for all the financial and life issues in-between,” he added.



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TK

21 June, 2023

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