

# The Retirement Picture

## How To Live Off Your Retirement Savings

(NAPSA)—You want to retire a millionaire. However, some financial experts are saying having a million dollars saved the day you get the gold watch may not be enough.

For a whole swath of middle- and upper-middle-class Americans, seven-figure savings may soon be routine. They will also be essential.

If you had \$25,000 15 years ago, had been reasonably diligent about keeping that money invested and adding to it through a 401(k) plan, and then avoided the worst of the past couple of years, turning the \$25,000 into \$300,000 would have required returns of only about 60 percent of what the stock market delivered during that time.

So how do you take the leap from \$300,000 to \$1 million? Or maybe just \$30,000 to \$100,000? What should would-be millionaires worry about? Here are some surprising tips for planning your retirement:

- To become a millionaire, do nothing. At least, do nothing differently. Whatever strategy has been working for you so far is a successful one—after all, it's been working for you so far—so your best bet may well be to keep doing it.

- Don't diversify. Financial planners say diversification more often lowers your return than raises it. While it's probably a bad idea to put all your nest egg in one basket, a concentrated fund, or a relatively small portfolio of stocks and notes if you're investing on your own, is probably a better way to go.



**Smart investment decisions are key to a comfortable retirement.**

- You only need five percent to make your money last forever. Paying yourself five percent of a million dollar endowment annually gives you a comfortable \$50,000 per year. As long as your return is more than five percent, you can be confident the money will be there.

- Retirement won't be cheap. The idea that retirees live on less is predicated on you living out your days in a rocking chair. Senior citizens' discounts are offered for a reason. And if you're now making more than the \$50,000 mentioned above, you're going to have to make some lifestyle changes when you retire.

- You're never too rich to save. Even if you've got \$500,000 squirreled away, you're 40 and you're planning to work another 20 years, you still need to save.

For more information, visit CNBC on MSN Money's Retirement Planner at <http://moneycentral.msn.com/retire/planner.asp> or use the planning tools in the Microsoft Money software.