

# Alex's Financial Tips On How to Get One Million Dollars

I hope everyone had a fun Independence Day weekend and I also hope you and your family made it through Hurricane Elsa. The only issue at our home is that we lost power for about an hour on Tuesday night, so no real issues. For this week's installment of Alex's Financial Tips, I want to tell you about a fun conversation with a few friends while at the beach on the 4th of July.

My friend, who is around 55 years old, asked me, "Hypothetically, if I invested for the next 10 years, would it be possible to reach 1 million dollars in an account?"

The funny thing about that question is that I had a client basically ask me the same one about a month ago. I gave both of them the same response. "I can't make you any guarantees, but anything is possible. We just need to crunch some numbers with a time value of money calculator"

Because I had already spent some time crunching different hypothetical numbers the month prior, I was able to just casually bring them up to my friend at the beach. Once again, this is just hypothetical and I can't make any guarantees, but if you were able to save and invest 60k a year and you do that for the next 10 years, and if you achieve an annual interest rate of return of 7.5%, that time value of money calculation brings you to a future total value of \$1,016,376.

## Cumulative Investment

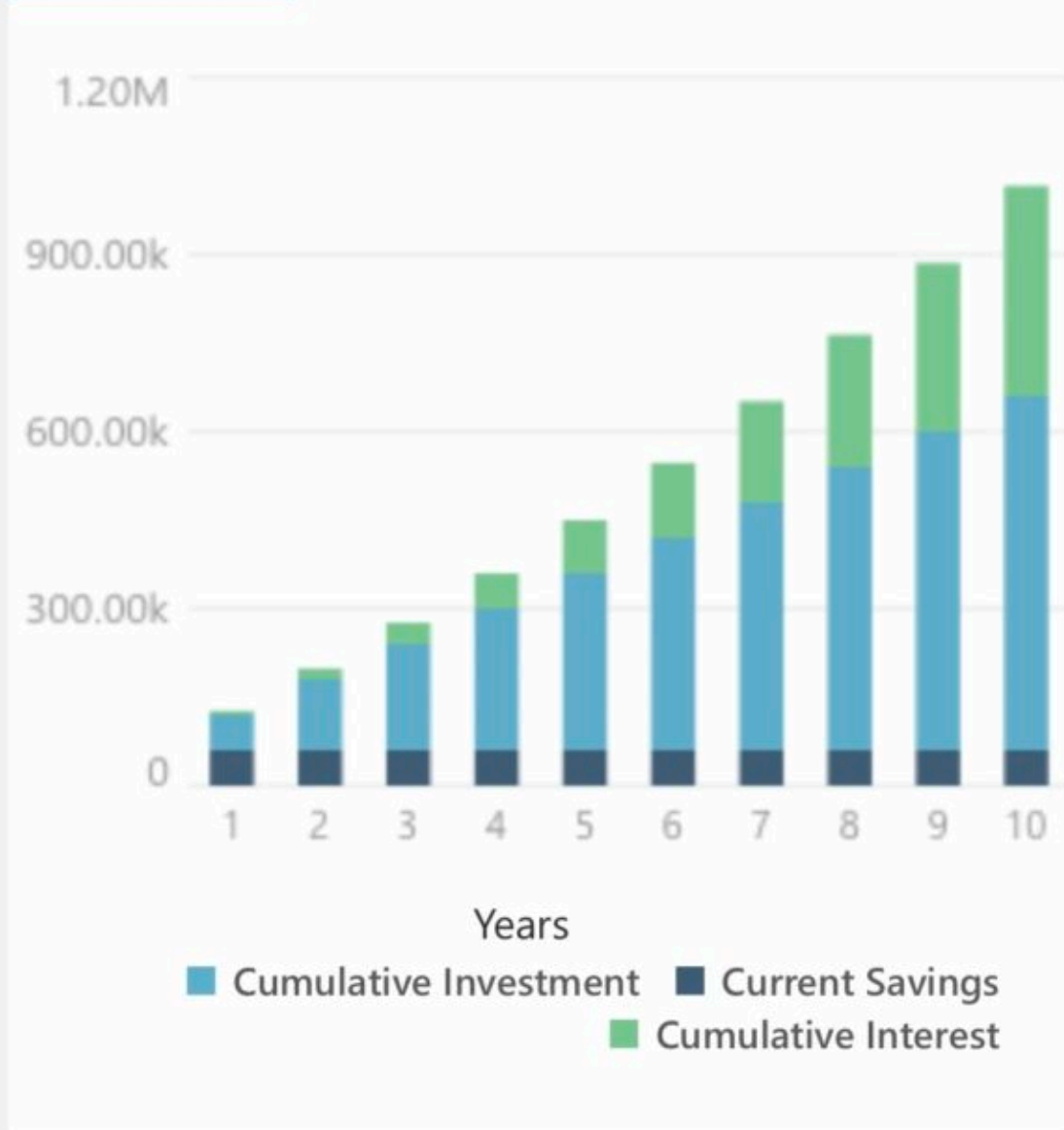
\$660,000

## Cumulative Interest

\$356,376

**Chart**

Cash Flow



The breakdown of the cumulative investment and the cumulative interest over the 10 years

As you can see from this chart, it shows you the breakdown of the cumulative investment and the cumulative interest over the 10 years.

My friend from the beach is not ready to start investing 60k a year, but they are planning on starting by rolling over their old 401k which is around \$15k, and we will start with that. As for my other client that I spoke to a month ago, they started by investing the \$60k that I recommended. After two weeks, they were so happy with the decision that they decided to double it up for the first year, so I am already managing over \$120k for them.

For some of you, this may just be a fun little exercise to see this information explained in a simple way, but I know that for many of my readers that are either nearing or are already in the last 10 years of their working careers, seeing these numbers may be hitting you hard. Don't stress out over money, just give me a call. Everyone should know their numbers and have a plan of attack to help them achieve their financial goals.



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Examples are hypothetical and for illustrative purposes only. The rates of return do not represent any actual investment and cannot be guaranteed.

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