

*Steve  
McKnight's*

# MONEY MAGNET

HOW TO ATTRACT AND KEEP  
A FORTUNE THAT COUNTS

**Bonus PDF Resource**

***For Money Magnet audiobook listeners***

**Disclaimer**

This resource contains factual information for educational purposes only. Nothing in this book constitutes the provision of financial product advice and no statements made in this book are intended to imply a recommendation or opinion about a financial product.

**WILEY**

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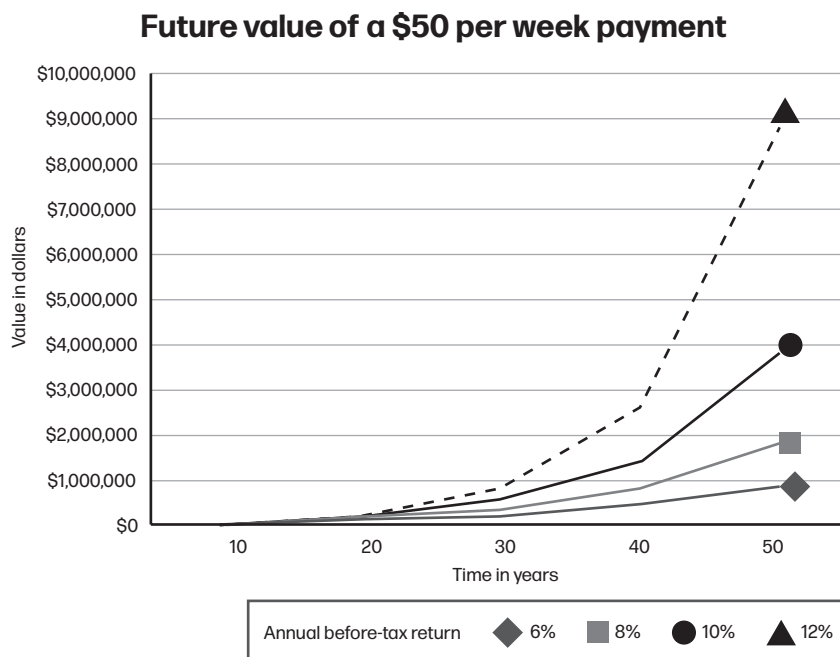
# PART ONE

# INTRODUCTION

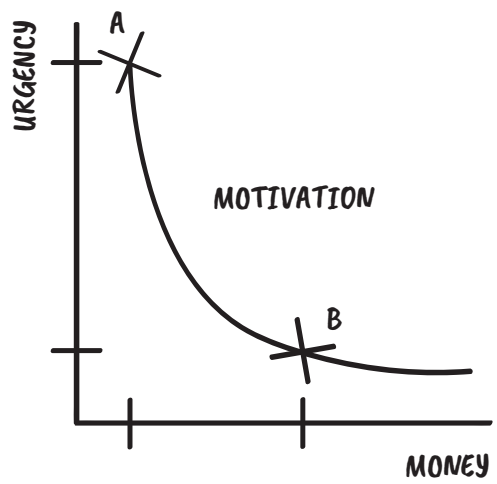
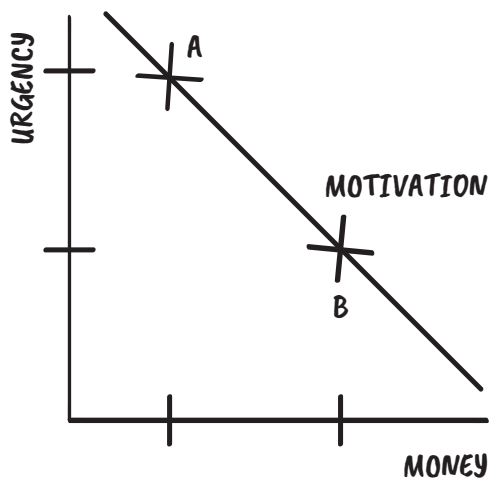
## CHAPTER TWO

## NOW AND THEN

Future values of \$50 per week, invested for different time periods and annual before-tax returns				
Time	6%	8%	10%	12%
10 years	\$31,954	\$39,786	\$44,607	\$50,170
20 years	\$79,616	\$128,276	\$165,747	\$216,509
30 years	\$150,708	\$325,093	\$494,722	\$768,013
40 years	\$256,749	\$762,849	\$1,388,110	\$2,596,540
50 years	\$414,920	\$1,736,494	\$3,814,259	\$8,659,077



# CHAPTER THREE SEEING IS BELIEVING



# CHAPTER FOUR

# THE FORMULA FOR FINANCIAL FREEDOM

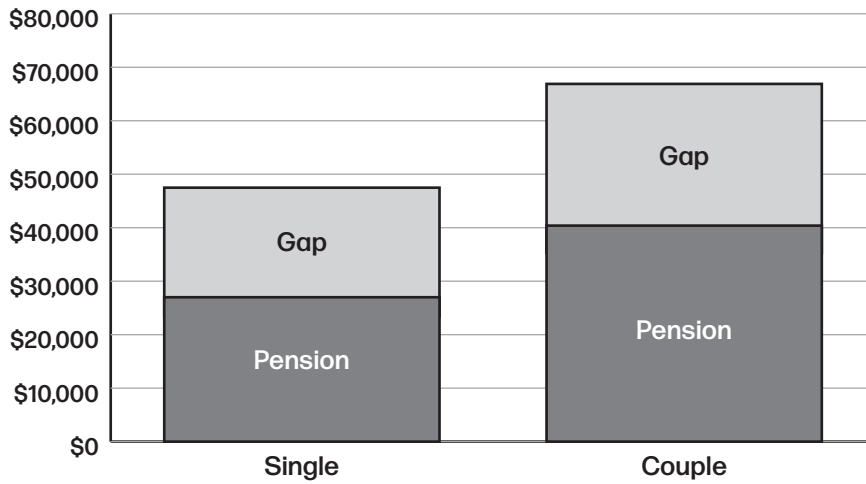
Age pension eligibility age	
Date of birth	Eligibility age
Before 1 July 1952	65 years
From 1 July 1952 to 31 December 1953	65 years and 6 months
From 1 January 1954 to 30 June 1955	66 years
From 1 July 1955 to 31 December 1956	66 years and 6 months
From 1 January 1957 onwards	67 years

Source: Department of Social Services, n.d.

Average working-life taxable income by income percentile			
Income group	Percentile	Gross income	80% gross income
Low-income earners	10	\$22,100	\$17,680
	20	\$36,300	\$29,040
	30	\$48,000	\$38,400
Middle-income earners	40	\$58,100	\$46,480
	50	\$68,400	\$54,720
	60	\$80,200	\$64,160
	70	\$94,500	\$75,600
High-income earners	80	\$112,900	\$90,320
	90	\$144,900	\$115,920

Source: The Treasury – Australian Government, 2020; McKnight.

**Age pension and ASFA Standard**



	ASFA	Age pension	Gap
<b>Single</b>	\$47,383	\$26,689	\$20,694
<b>Couple</b>	\$66,725	\$40,238	\$26,487

Savings targets for pre-retirees (aged 55–59)				
Living Status	Living Standard	Fortnightly Spending	Annual Spending	Savings target (at age 65)
Living Alone (By yourself)	Low	\$1,308	\$34,000	\$88,000
	Medium	\$1,692	\$44,000	\$301,000
	High	\$2,115	\$55,000	\$745,000
Living Together (In a couple)	Low	\$1,846	\$48,000	\$111,000
	Medium	\$2,462	\$64,000	\$402,000
	High	\$3,115	\$81,000	\$1,003,000

Savings targets for retirees (aged 65–69)				
Living Status	Living Standard	Fortnightly Spending	Annual Spending	Savings target
Living Alone (By yourself)	Low	\$1,115	\$29,000	\$73,000
	Medium	\$1,462	\$38,000	\$258,000
	High	\$1,962	\$51,000	\$743,000
Living Together (In a couple)	Low	\$1,615	\$42,000	\$95,000
	Medium	\$2,154	\$56,000	\$352,000
	High	\$2,885	\$75,000	\$1,021,000

$$\begin{array}{|c|} \hline \text{Desired Annual Amount} \\ \hline \$ \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Targeted Annual Return} \\ \hline \% \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Required Investment Capital} \\ \hline \$ \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Desired Annual Amount} \\ \hline \$60,000 \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Targeted Annual Return} \\ \hline 8\% \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Required Investment Capital} \\ \hline \$750,000 \\ \hline \end{array}$$

Living Status	ASFA Retirement Standard	Super Consumers Australia
Living Alone	\$47,383	\$51,000
Living Together	\$66,725	\$75,000

Asset class	Investment value in 2021	Per annum returns
US Shares	\$217,642	10.8%
Australian Shares	\$160,498	9.7%
Australian Listed Property	\$118,013	8.6%
International Shares	\$107,939	8.3%
Australian Bonds	\$75,807	7.0%
Cash	\$38,938	4.6%

Source: Vanguard 2021; McKnight.

$$\begin{array}{|c|} \hline \text{Desired Annual Amount} \\ \hline \$60,000 \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Targeted Annual Return} \\ \hline 8\% \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Required Investment Capital} \\ \hline \$750,000 \\ \hline \end{array}$$

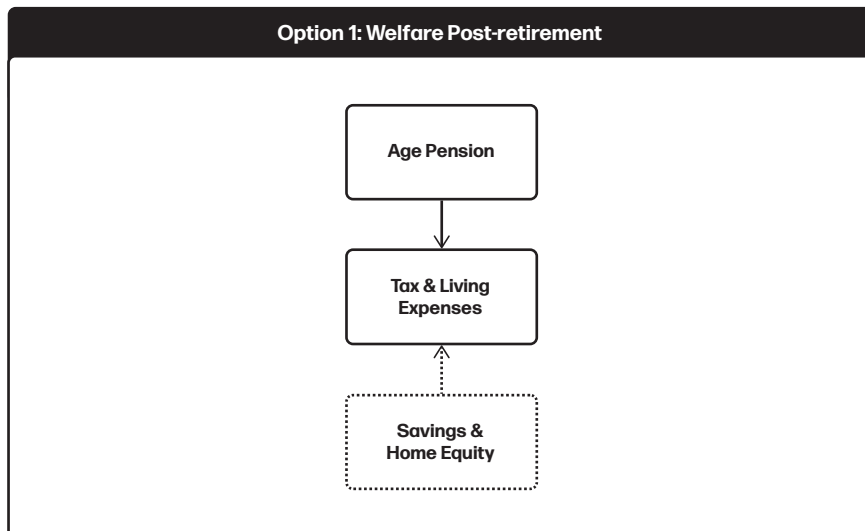
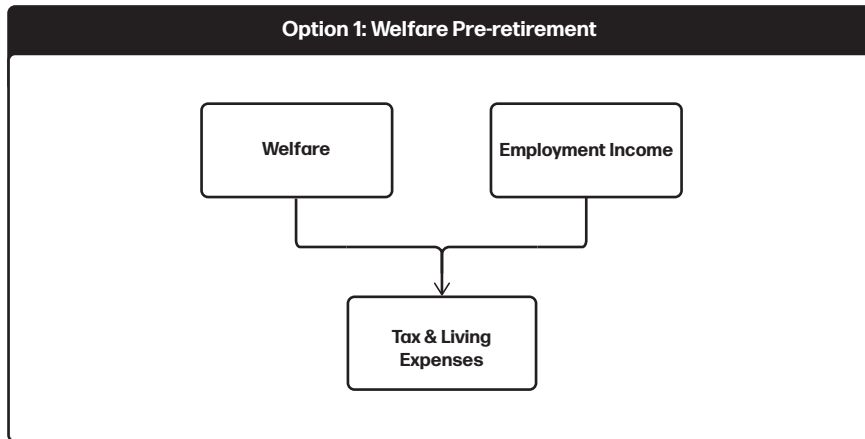
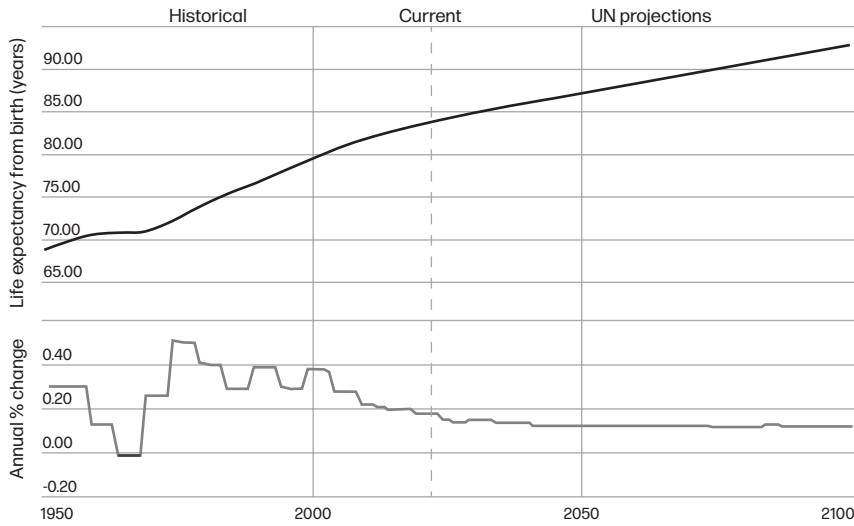
$$\begin{array}{|c|} \hline \text{Available Investment Capital} \\ \hline \$ \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Targeted Annual Return} \\ \hline \% \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Annual Income} \\ \hline \$ \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Desired Annual Income} \\ \hline \$ \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Available Investment Capital} \\ \hline \$ \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Required Annual Return} \\ \hline \% \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Desired Annual Amount} \\ \hline \$100,000 \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Targeted Annual Return} \\ \hline 8\% \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Required Investment Capital} \\ \hline \$1,250,000 \\ \hline \end{array}$$

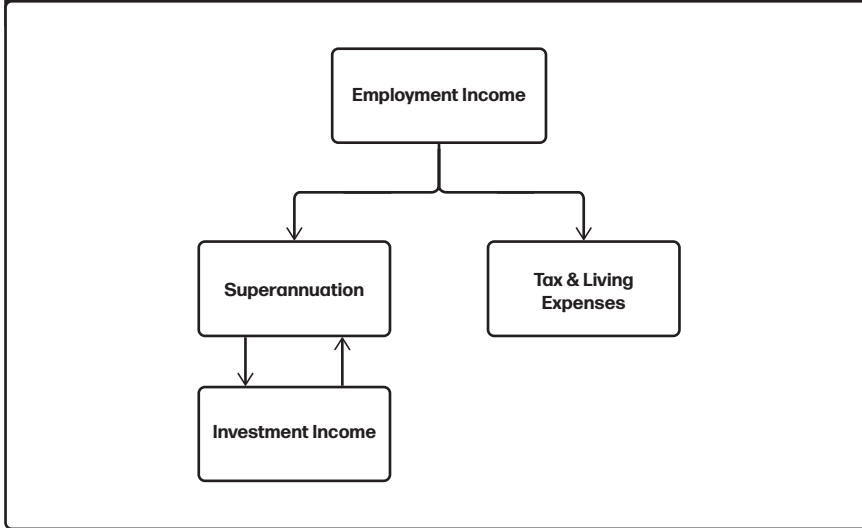
# CHAPTER FIVE

# ARE YOU SUPER SUFFICIENT?

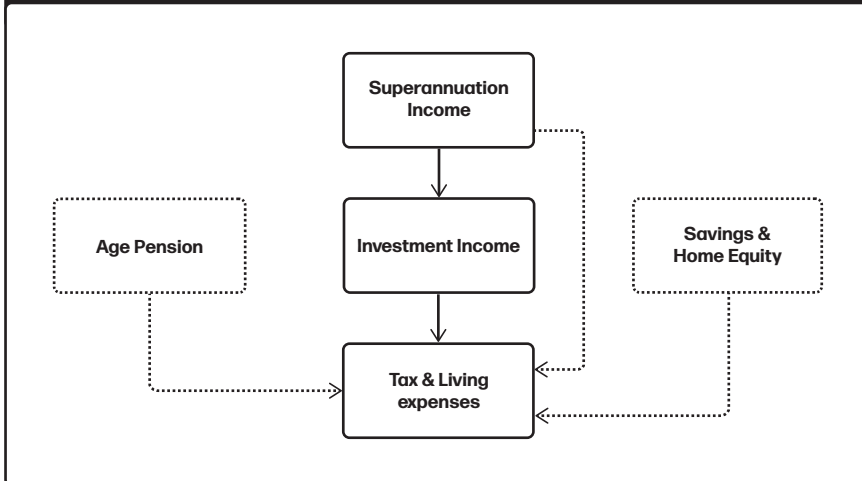




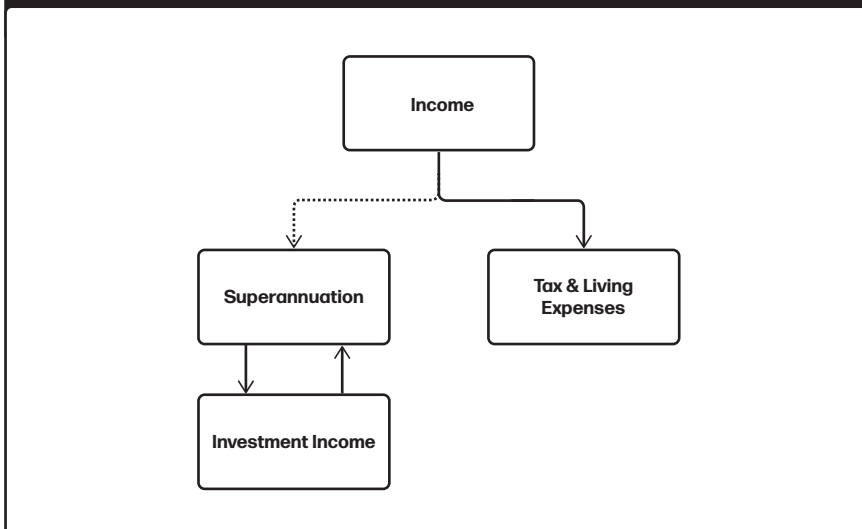
**Option 2: Compulsory Superannuation Pre-retirement**

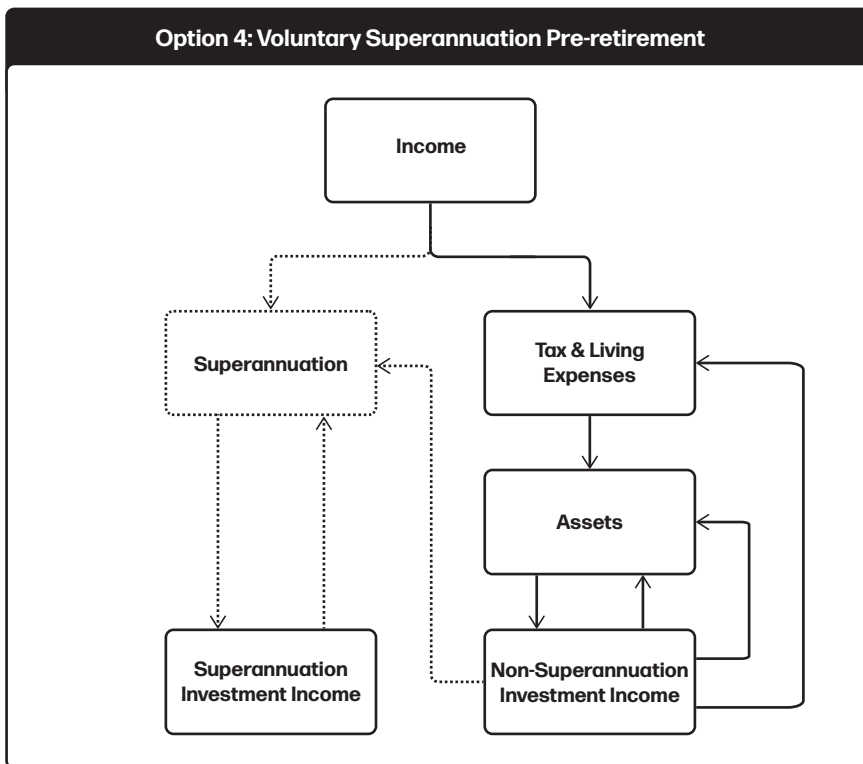
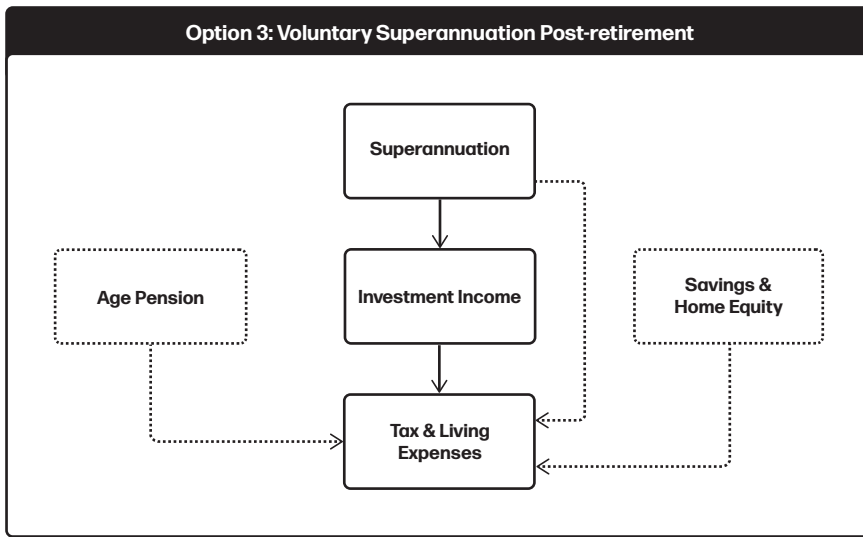


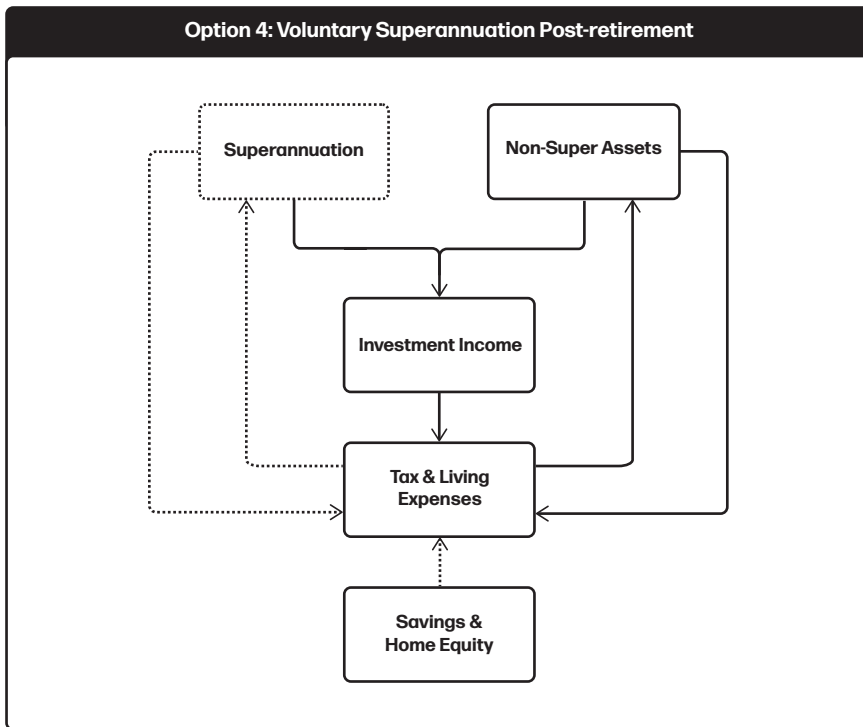
**Option 2: Compulsory Superannuation Post-retirement**



**Option 3: Voluntary Superannuation Pre-retirement**







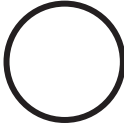
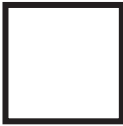


# CHAPTER EIGHT




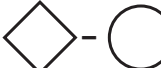

# THE TIMESHEET OF LIFE

## My Life Timesheet

Name: \_\_\_\_\_ Date: \_\_\_/\_\_\_/\_\_\_

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

Age Now	Expected Age at Death	Expected Age at Retirement	Expected Age Financially Free
			

Years of Life Left	Years of Work Left	Years Retired	Years Until Financial Freedom	Years of Financial Freedom
				

	Year closest to year of birth							
	1946	1953	1965	1975	1985	1995	2005	2015
Male	89	77	77	73	76	77	80	81
Female	89	80	81	79	81	81	84	85

Source: ABS, 2019; McKnight

# CHAPTER NINE

# A BLUEPRINT FOR FINANCIAL FREEDOM

## My Financial Freedom Blueprint

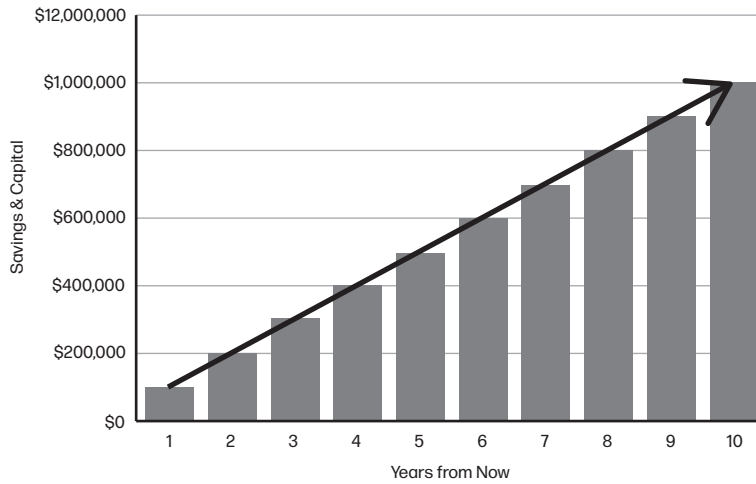
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Target Annual Income <b>\$</b></div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">÷</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Target Annual Return <b>%</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">=</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Target Investment Capital <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">+</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Debt-free Home <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">=</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Total Asset Goal <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">-</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Total Assets Now <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">+</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Total Debt Now <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">=</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Remaining Capital Needed <b>\$</b></div> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px; width: 100%;">Savings &amp; Capital Shortfall <b>\$</b></div>	<div style="border-left: 1px solid black; border-right: 1px solid black; height: 100%;"></div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Annual Income Now <b>\$</b></div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">-</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Annual Expenses Now <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">=</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Annual Savings Now <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">×</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Years to Work <b>yrs</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">=</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Future Savings <b>\$</b></div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <span style="font-size: 2em; margin-right: 10px;">-</span> <div style="border: 1px solid black; padding: 5px; flex-grow: 1;">Savings &amp; Capital Shortfall <b>\$</b></div> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px; width: 100%;">Timeframe <b>yrs</b></div>
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## CHAPTER TEN

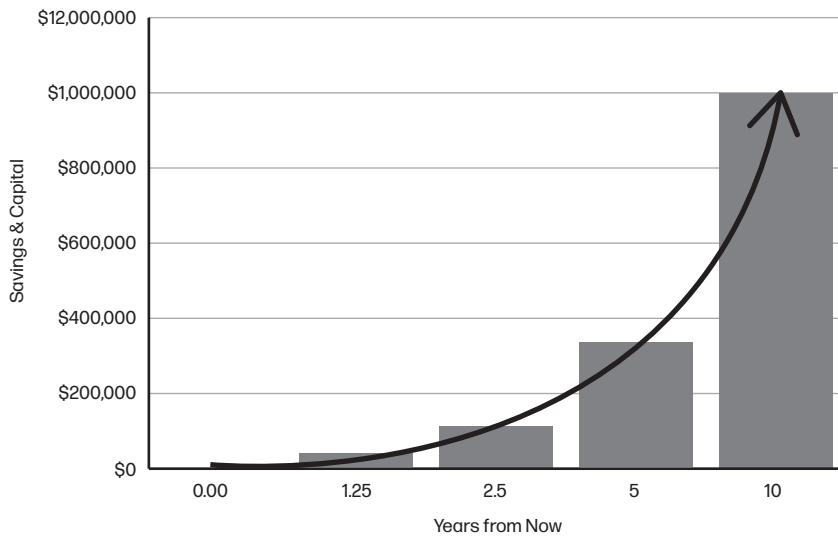
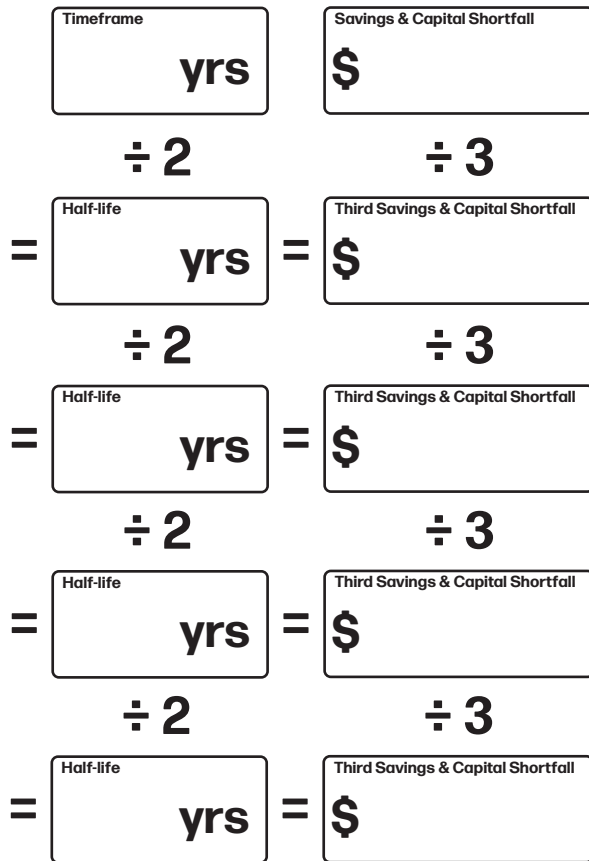
# ACHIEVING A SEEMINGLY IMPOSSIBLE MISSION

Savings & Capital Shortfall	÷	Timeframe	=	Annual Savings & Capital Goal
\$		yrs		\$

Savings & Capital Shortfall	÷	Timeframe	=	Annual Savings & Capital Goal
\$1,000,000		10 yrs		\$100,000

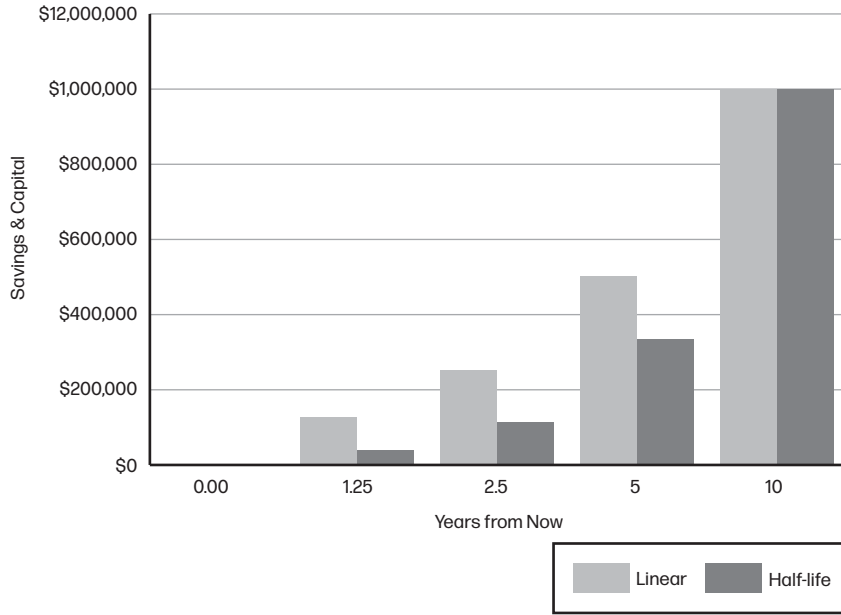


Timeframe	÷ 2	Savings & Capital Shortfall	÷ 3
10 yrs		\$1,000,000	
=		=	
Half-life		Third Savings & Capital Shortfall	
5 yrs		\$333,340	
=		=	
Half-life		Third Savings & Capital Shortfall	
2.5 yrs		\$111,120	
=		=	
Half-life		Third Savings & Capital Shortfall	
1.25 yrs		\$37,040	



At year	Linear target savings & capital	Half-life target savings & capital
0.00	\$-	\$-
1.25	\$125,000	\$37,040
2.50	\$250,000	\$111,120
5.00	\$500,000	\$333,340
10.00	\$1,000,000	\$1,000,000





10 years		20 years		30 years		40 years	
1/2 life	1/3 value	1/2 life	1/3 value	1/2 life	1/3 value	1/2 life	1/3 value
				15	\$333,340	20	\$333,340
		10	\$333,340	7.5	\$111,120	10	\$111,120
5	\$333,340	5	\$111,120	3.75	\$37,040	5	\$37,040
2.5	\$111,120	2.5	\$37,040	1.88	\$12,350	2.5	\$12,350
1.25	\$37,040	1.25	\$12,350	0.94	\$4,120	1.25	\$4,120

# PART TWO

# FINANCIAL IQ

# AND FINANCIAL EQ

## CHAPTER ELEVEN

## FINANCIAL LITERACY

Number of correct responses					
	None	1 or 2	3 or 4	All 5	Mean score out of 5
<b>All persons</b>	2.3%	11.1%	44.0%	42.5%	3.9
<b>Males</b>	1.5%	7.1%	41.5%	49.9%	4.1
<b>Females</b>	3.2%	15.0%	46.5%	35.4%	3.7

Proportion answering each question correctly					
	Q1	Q2	Q3	Q4	Q5
<b>All persons</b>	85.5%	69.8%	74.9%	83.5%	77.0%
<b>Males</b>	91.9%	76.6%	77.2%	88.1%	79.2%
<b>Females</b>	79.4%	63.3%	72.7%	79.0%	74.9%

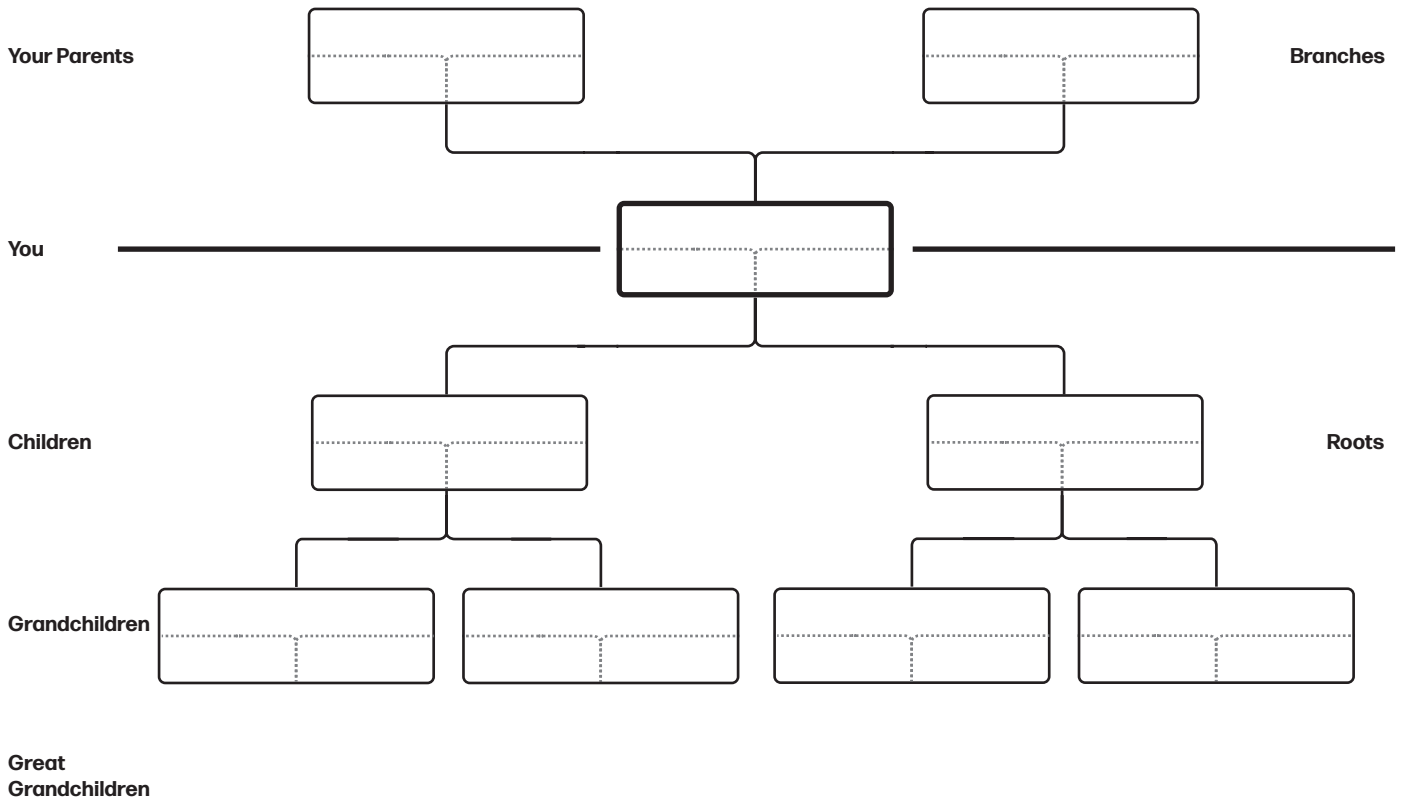
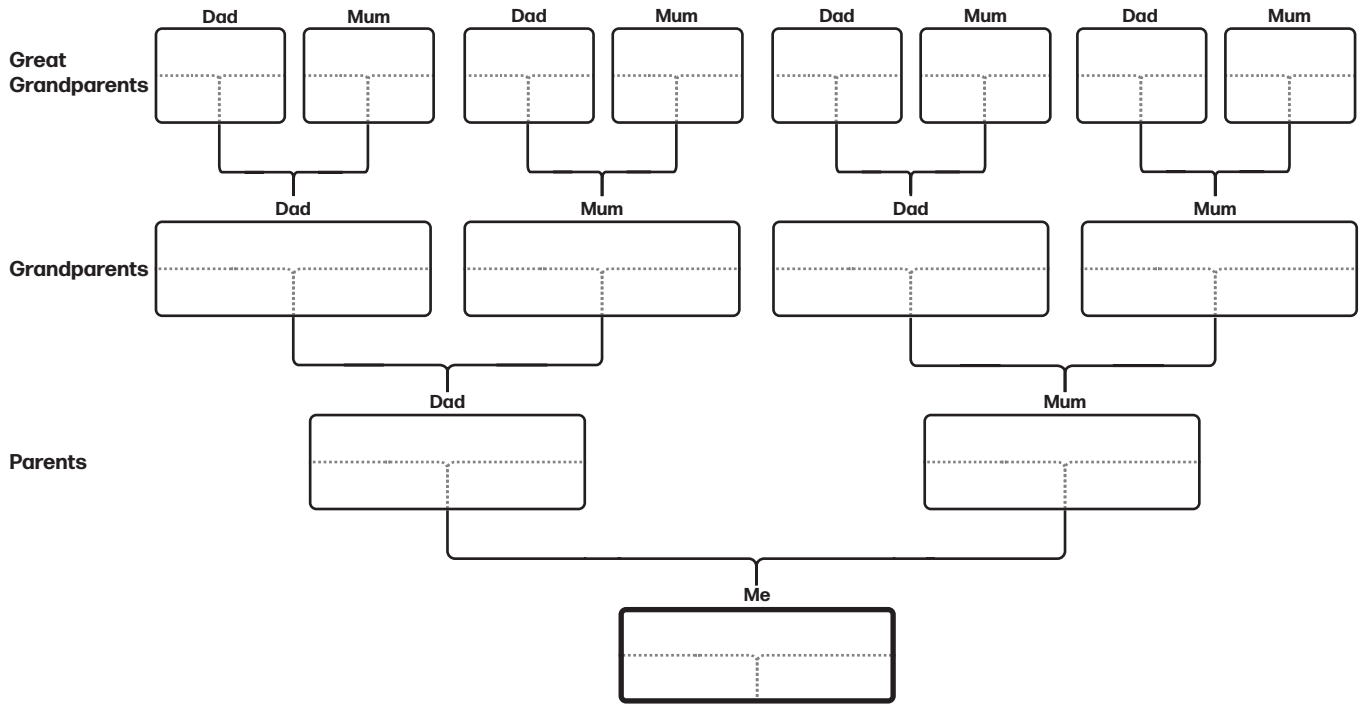
# CHAPTER THIRTEEN

# THE FINANCIAL FAMILY TREE

?	Not known
+	Financially literate – demonstrated by a good ability to make, manage and multiply their finances
-	Financially illiterate – was reliant on others for financial decisions or had a track record of financial mishaps

?	Not known
(N) Nil	No completed schooling
(P) Primary	Primary school
(S) Secondary	High school <i>Completed Year 12, Intermediate, Leaver's Certificate, 'Matric'</i>
(T) Trade	Tradesperson <i>Plumber, electrician, builder</i>
(C) Certificate	Undergraduate qualification <i>Certificate, Diploma</i>
(D) Degree	Bachelor degree <i>University-issued qualification</i>
(PG) Post Grad	Postgraduate study <i>Professional certificate, Masters, Doctorate</i>

# My Financial Family Tree



# CHAPTER FOURTEEN

# PROGRAMMING YOUR FINANCES

Current Age  
 yrs  $\div 10 =$   *Line 1*

$\times$  Annual Income  
 \$ *Line 2*

$=$  Target Net Worth  
 \$ *Line 3*

$-$  Current Net Worth  
 \$ *Line 4*

$=$  Net Worth (Surplus) or Shortfall  
 \$ *Line 5*

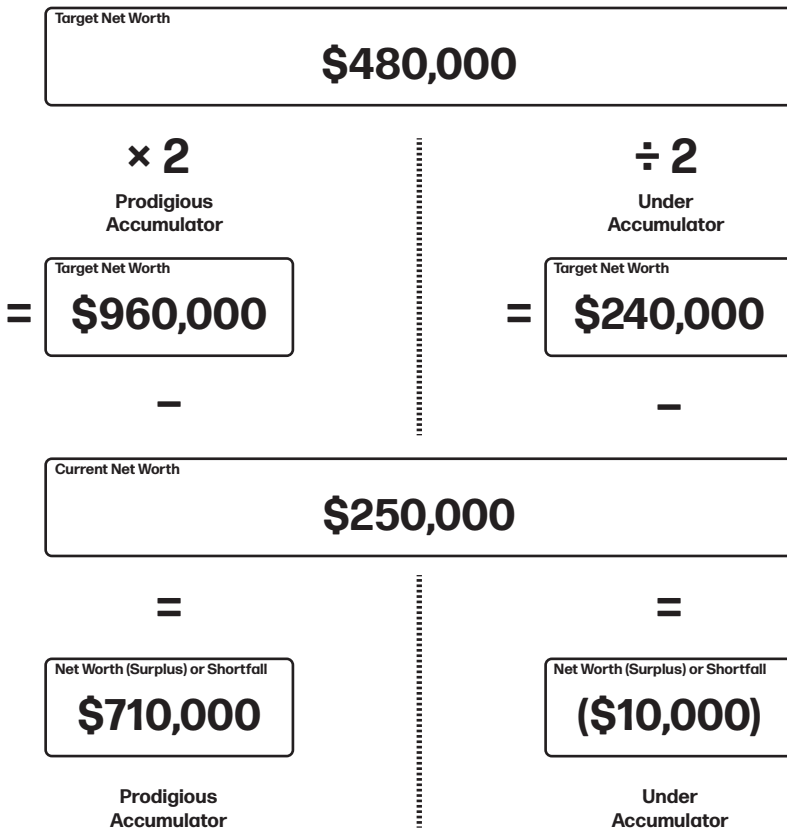
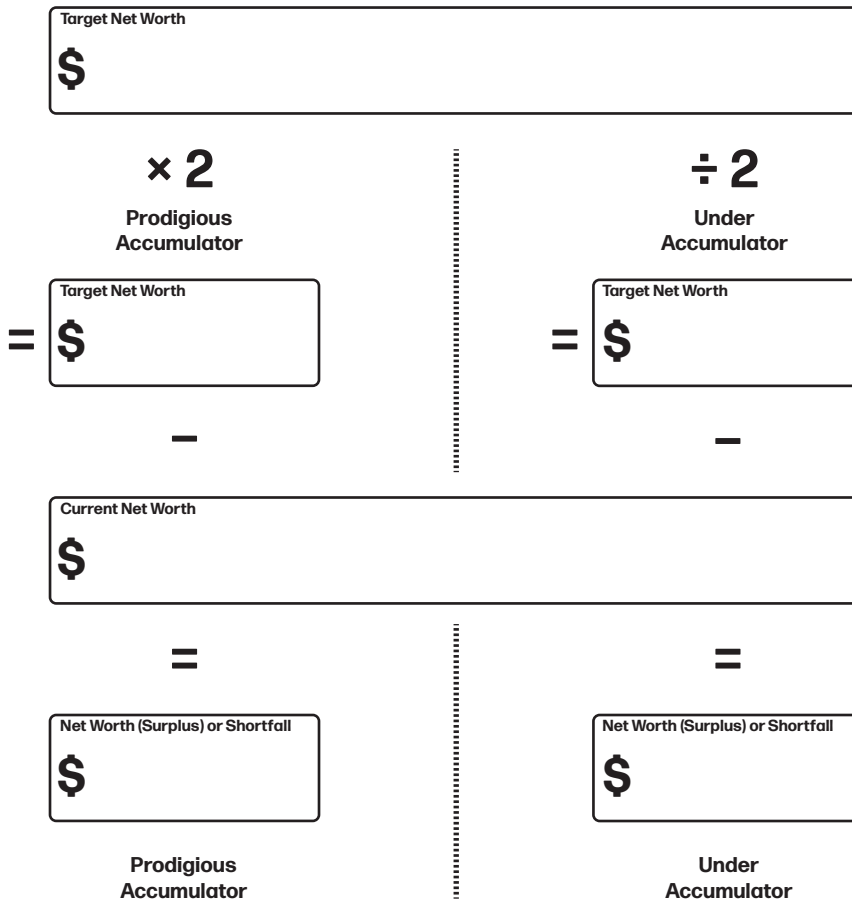
Current Age  
**40** yrs  $\div 10 =$  **4.0** *Line 1*

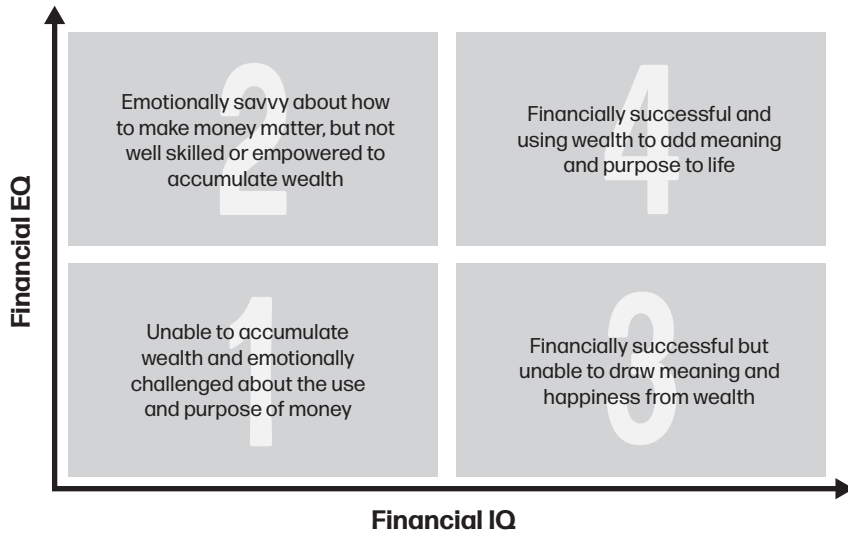
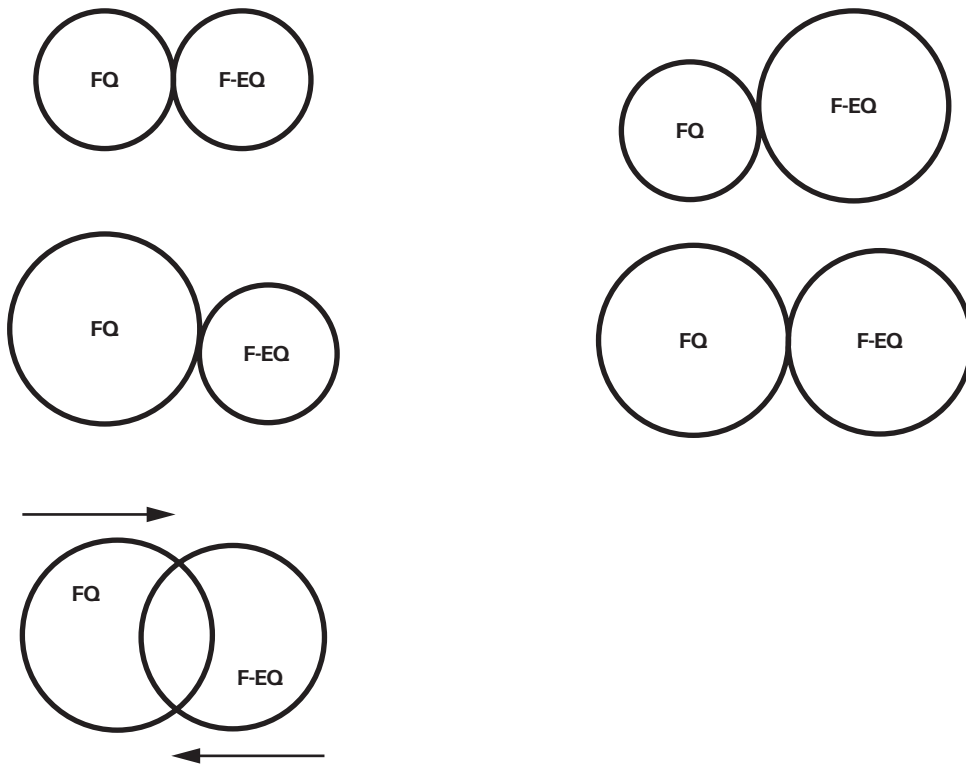
$\times$  Annual Income  
**\$120,000** *Line 2*

$=$  Target Net Worth  
**\$480,000** *Line 3*

$-$  Current Net Worth  
**\$250,000** *Line 4*

$=$  Net Worth (Surplus) or Shortfall  
**\$230,000** *Line 5*





# PART THREE

# MAKING, MANAGING AND MULTIPLYING

## CHAPTER FIFTEEN

## Y-E=S

$$\boxed{Y} - \boxed{E} = \boxed{S}$$

$$\boxed{Y} - \boxed{S} = \boxed{E}$$

$$\boxed{E} + \boxed{S} = \boxed{Y}$$

$$\begin{array}{|c|} \hline \text{Income} \\ \hline \mathbf{\$20} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Expenses} \\ \hline \mathbf{\$10} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Savings} \\ \hline \mathbf{\$10} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Income} \\ \hline \mathbf{\$50} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Expenses} \\ \hline \mathbf{\$75} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Savings} \\ \hline \mathbf{-\$25} \\ \hline \end{array}$$



# CHAPTER SIXTEEN

## 'Y' IS FOR INCOME

Activity	Hours allocated	Hours left
	Opening balance	168
Sleep	56	112
Working	43	69
Leisure	35	34
Cleaning, care & grooming	21	13
Eating	7	6

$$\left( \frac{\text{Number of Problems} \times \text{Size of Problem} \times \text{Complexity of Problem}}{\text{Number of People who can Solve the Problem}} \right) = \text{Pay}$$

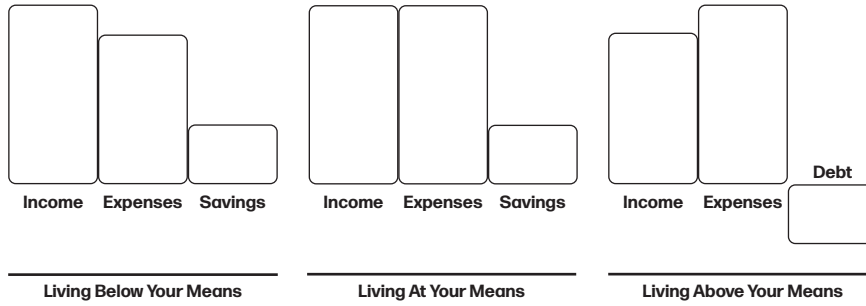
Sales [260 units]	\$6,500	(26 weeks × \$25 × 10)
– Set-up costs	\$3,500	(\$1,500 + \$2,000)
– Advertising	\$2,600	(26 weeks × \$100)
= Profit	\$400	

Start-up hours	50	
+ Admin	52	(26 weeks × 2 hours)
= Total	102	
Pay per hour	\$3.92	

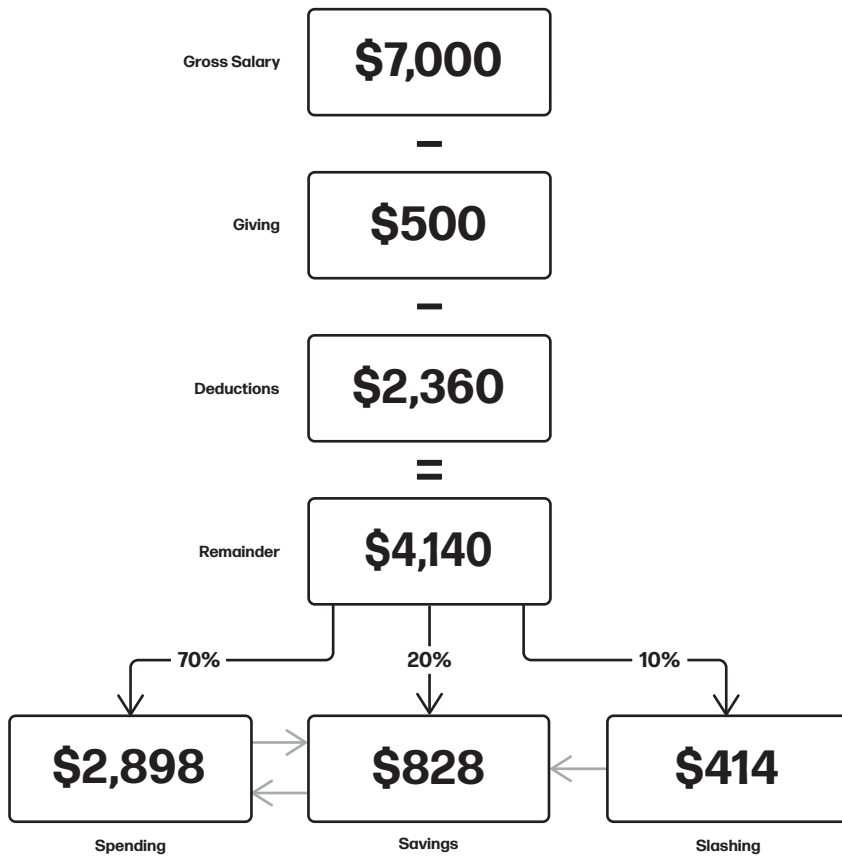
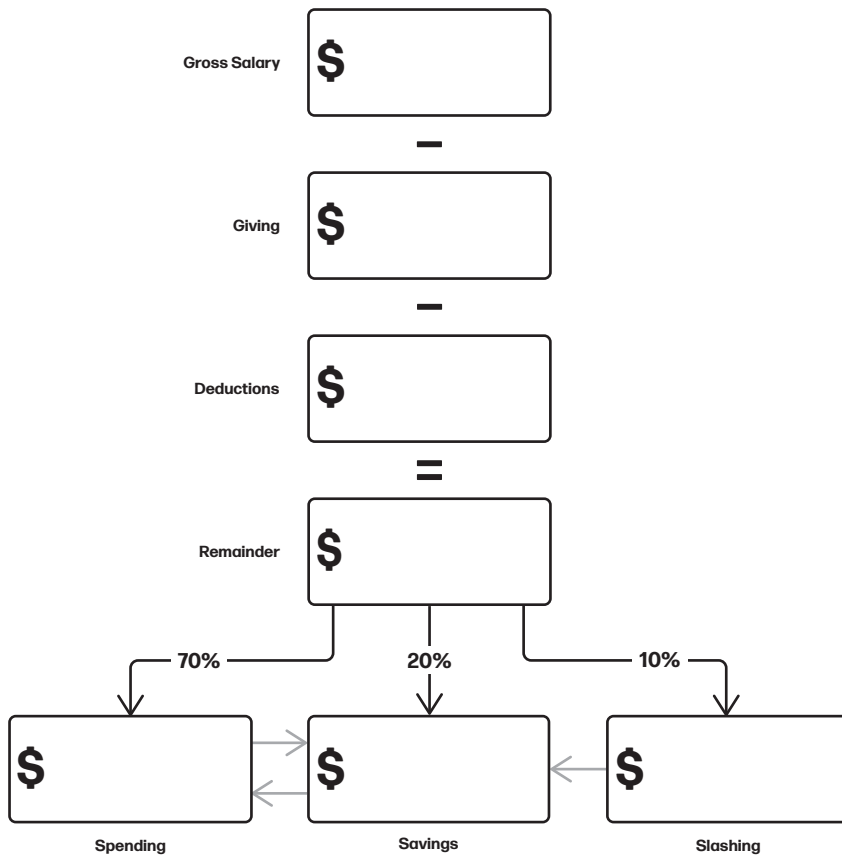
Sales [260 units]	\$6,500	(26 weeks × \$25 × 10)
– Advertising	\$2,600	(26 weeks × \$100)
= Profit	\$3,900	
÷ Admin hours	52	
Pay per hour	\$75	

# CHAPTER SEVENTEEN

## 'E' IS FOR EXPENSES



Spending category	After-tax		Before-tax
	Weekly	Annual	Annual
Recreation and culture	\$208	\$10,816	\$15,452
Hotels, cafes and restaurants	\$120	\$6,240	\$8,915
Alcoholic beverages	\$46	\$2,392	\$3,418
Cigarettes and tobacco	\$36	\$1,872	\$2,675



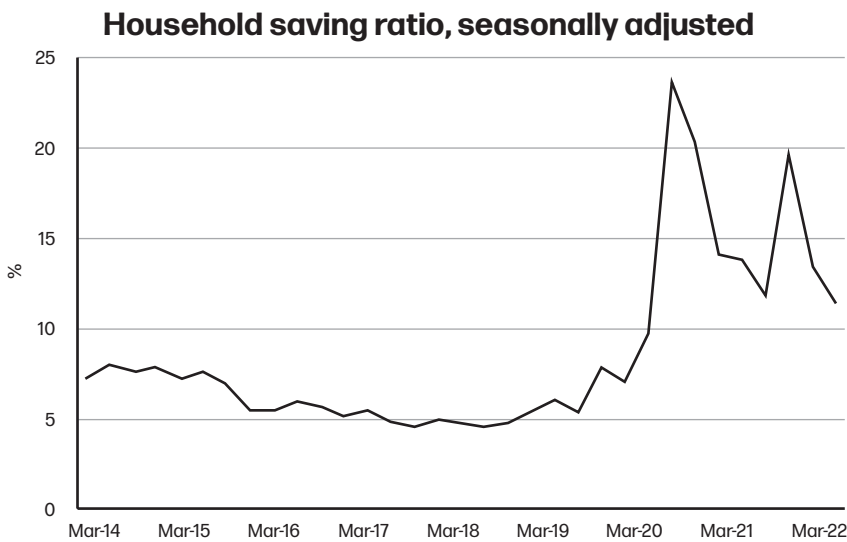
# CHAPTER EIGHTEEN

## 'S' IS FOR SAVINGS

$$\begin{array}{|c|} \hline \text{Savings} \\ \hline \$ \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Current Annual Income} \\ \hline \$ \\ \hline \end{array} \times 260 = \begin{array}{|c|} \hline \text{Work Days Saved} \\ \hline \text{days} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Savings} \\ \hline \$ \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Current Annual Expenses} \\ \hline \$ \\ \hline \end{array} \times 12 = \begin{array}{|c|} \hline \text{Months of Reserves} \\ \hline \text{mths} \\ \hline \end{array}$$

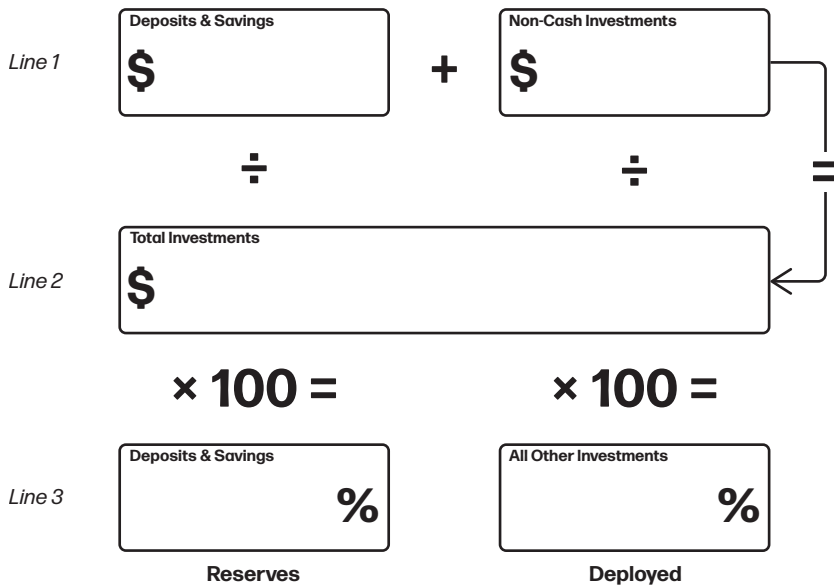
Percentage of monthly after-tax income saved	
None	25%
Up to 10%	26%
Up to 20%	16%
Up to 30%	8%
Up to 40%	4%
Up to 50%	3%
Up to 60%	1%
More than 60%	2%
Unsure	15%

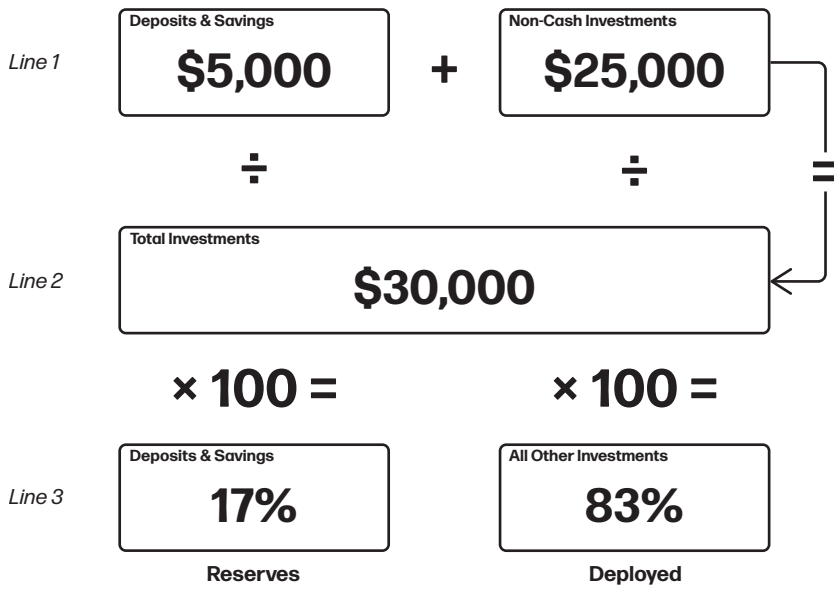


Savings buying power at start of year		\$10,000
+ Interest @ 1%	\$100	
- Income tax	(\$30)	\$70
- Inflation @ 5%		(\$500)
= Savings buying power at end of year		\$9,570

	Monday	Tuesday	Wednesday
XYZ Ltd share price	\$1.25	\$1.30	\$1.20
Number of shares	8,000	7,692	8,333

When	Then
Asset prices ↑	Savings value ↓
Asset prices ↓	Savings value ↑





$$100 - \text{Current Age} = \text{At Risk Assets } \%$$

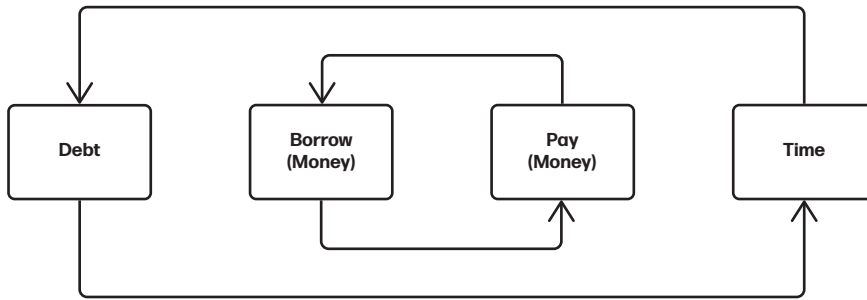
$$= \text{Low Risk Assets } \%$$

100%  
-

Asset allocation	Ben (25)	Brinda (50)	Bobby (75)
At risk	100 - 25 = 75%	100 - 50 = 50%	100 - 75 = 25%
Safe harbour	100 - 75 = 25%	100 - 50 = 50%	100 - 25 = 75%

# CHAPTER NINETEEN

# THE DANGERS OF DEBT

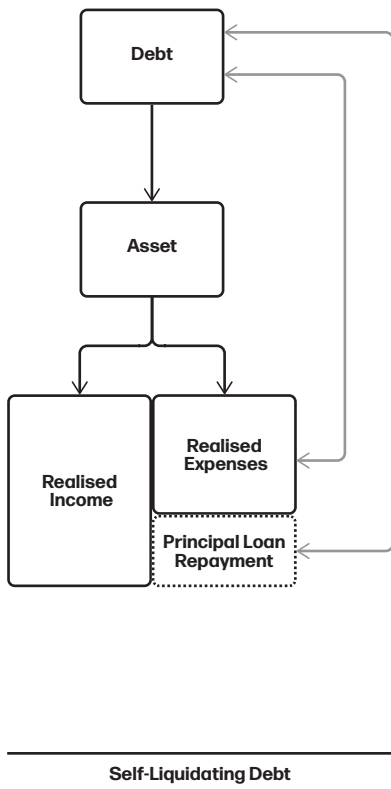


$$\begin{array}{|c|} \hline \text{Non-Investment Debt} \\ \hline \$ \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Hourly Net Pay} \\ \hline \$ \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Hours Owed} \\ \hline \text{hrs} \\ \hline \end{array} \div 8 = \begin{array}{|c|} \hline \text{Days Owed} \\ \hline \text{days} \\ \hline \end{array}$$

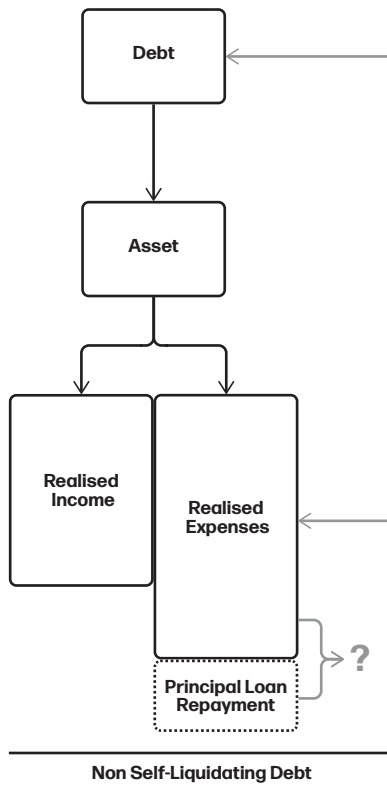
$$\begin{array}{|c|} \hline \text{Non-Investment Debt} \\ \hline \$ \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Hourly Net Pay} \\ \hline \$ \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Hours Owed} \\ \hline \text{hrs} \\ \hline \end{array} \div 8 = \begin{array}{|c|} \hline \text{Days Owed} \\ \hline \text{days} \\ \hline \end{array}$$

$$\div 260 =$$

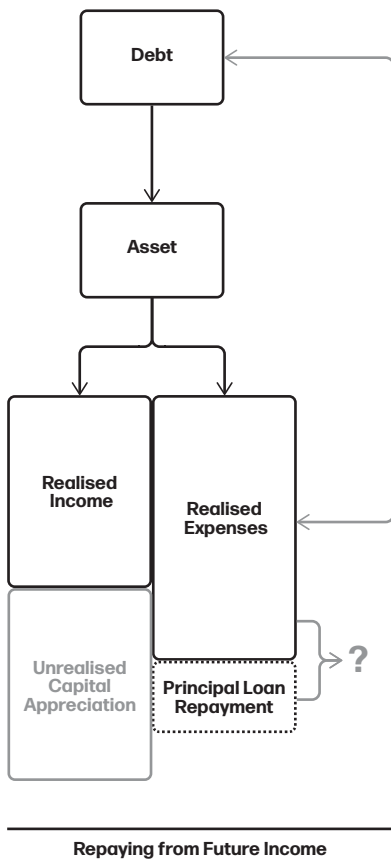
$$\begin{array}{|c|} \hline \text{Years Owed} \\ \hline \text{years} \\ \hline \end{array}$$



**Self-Liquidating Debt**



**Non Self-Liquidating Debt**



**Repaying from Future Income**

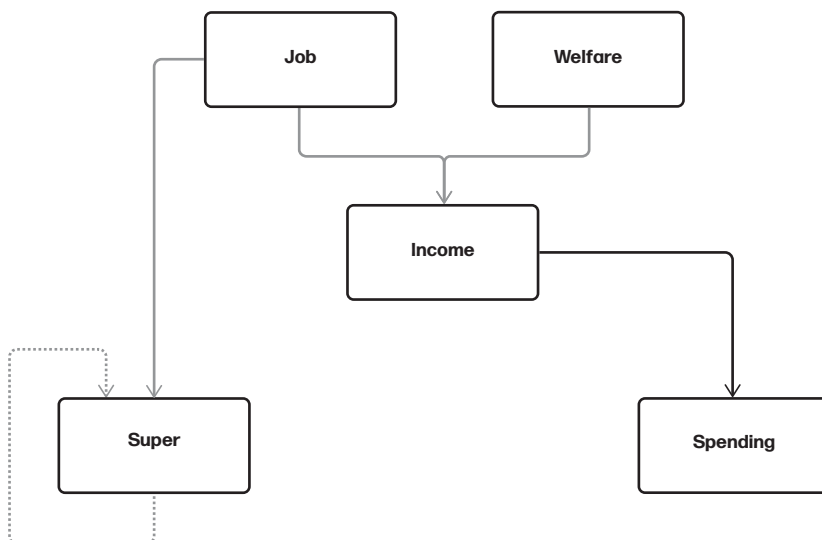
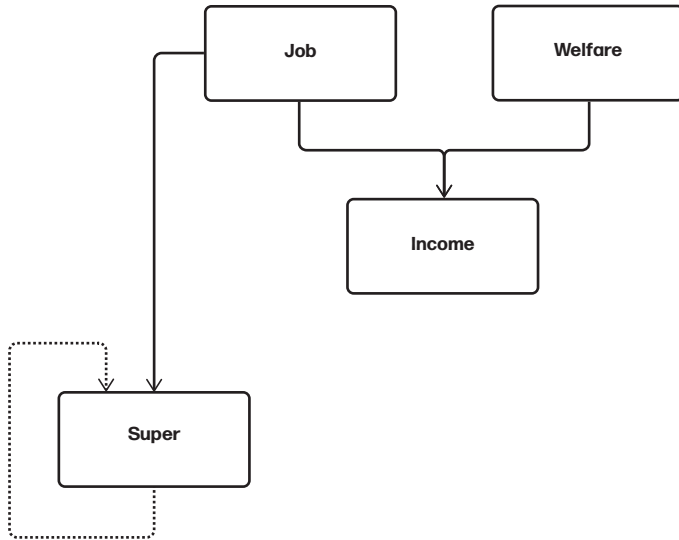


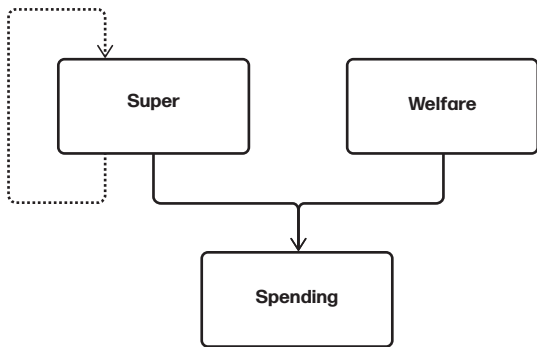
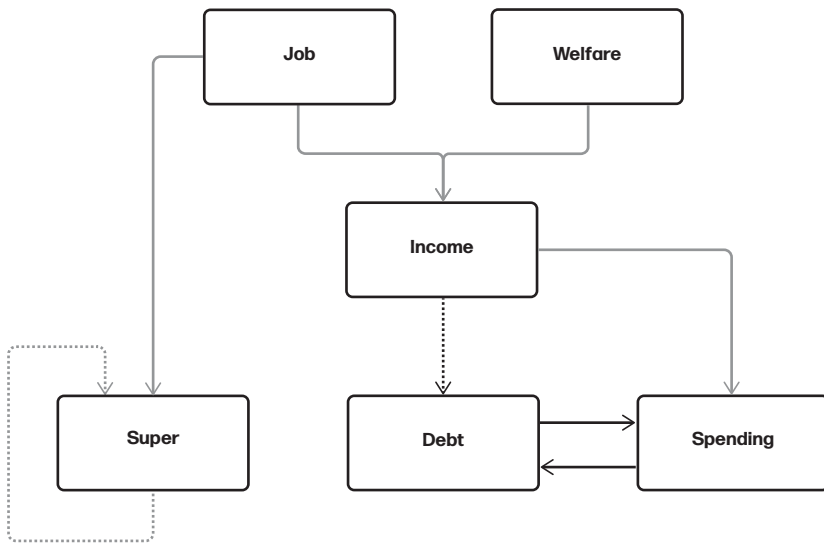
<b>Purchase price</b>	\$41,000
<b>Deposit</b>	-\$1,000
<b>Finance</b>	= \$40,000

<b>Purchase price</b>	\$41,000
<b>Value of car, year 3</b>	-\$20,000
<b>Depreciation</b>	= \$21,000
<b>Loan term (years)</b>	÷ 3
<b>Depreciation per annum</b>	= \$7,000
<b>Finance</b>	÷ \$40,000
<b>Quasi-interest per annum</b>	= 17.50%

# CHAPTER TWENTY-ONE

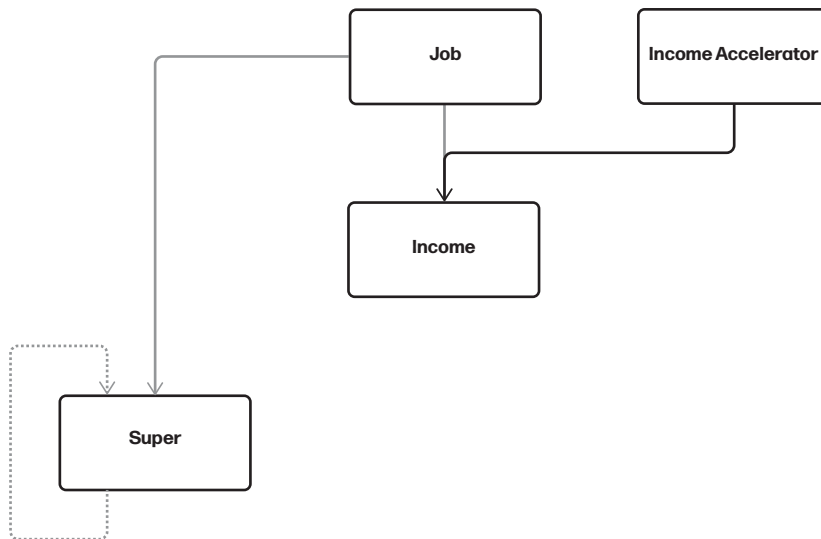
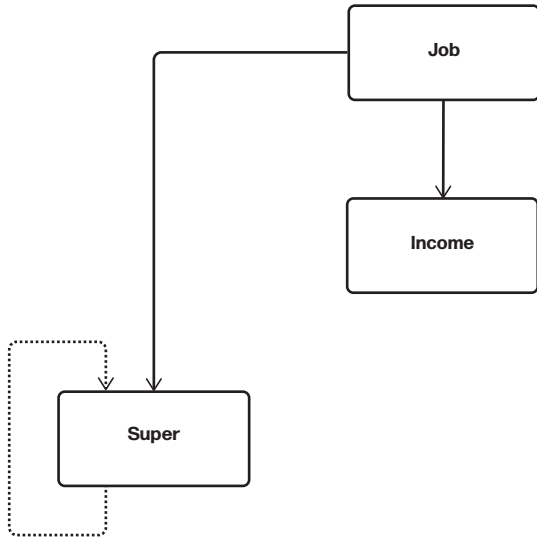
# THE PATHWAY TO POVERTY

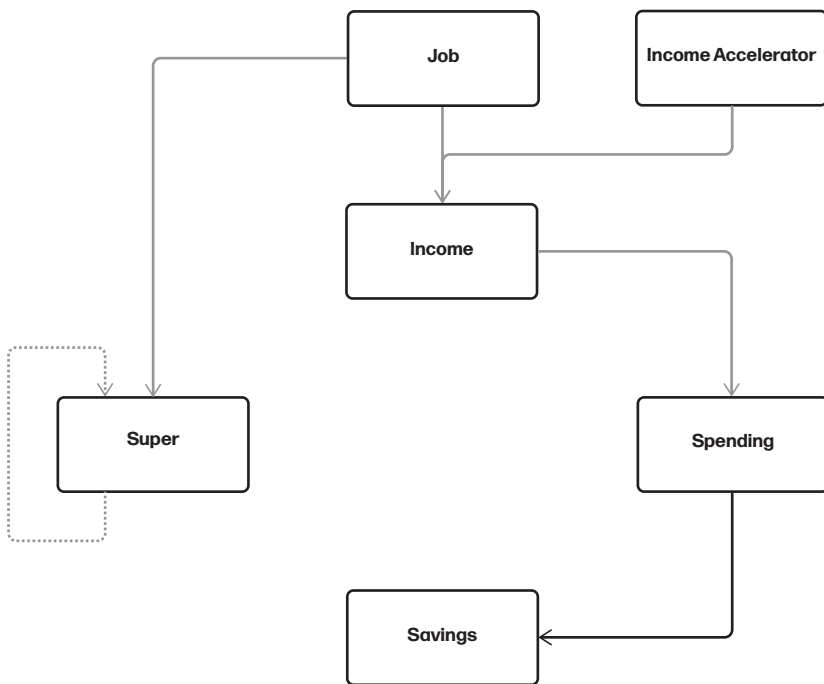
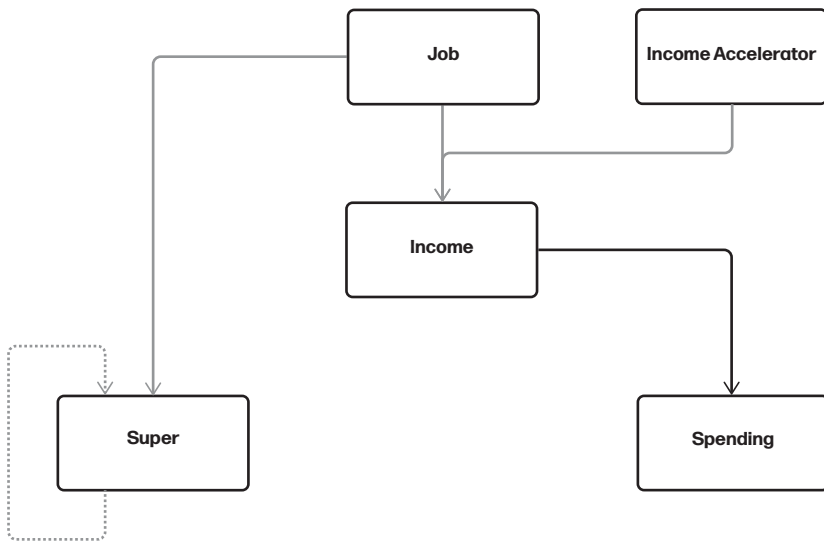


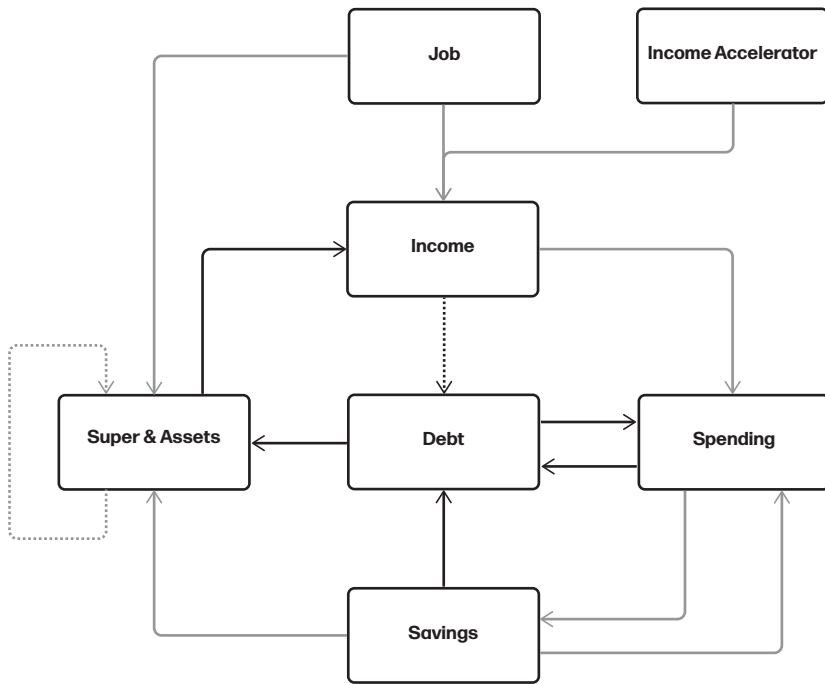
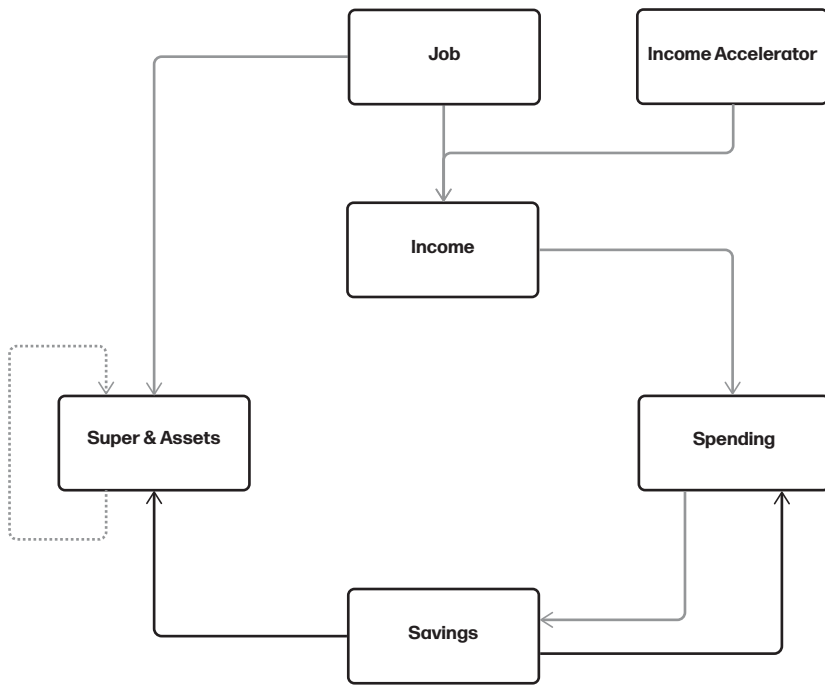


# CHAPTER TWENTY-TWO

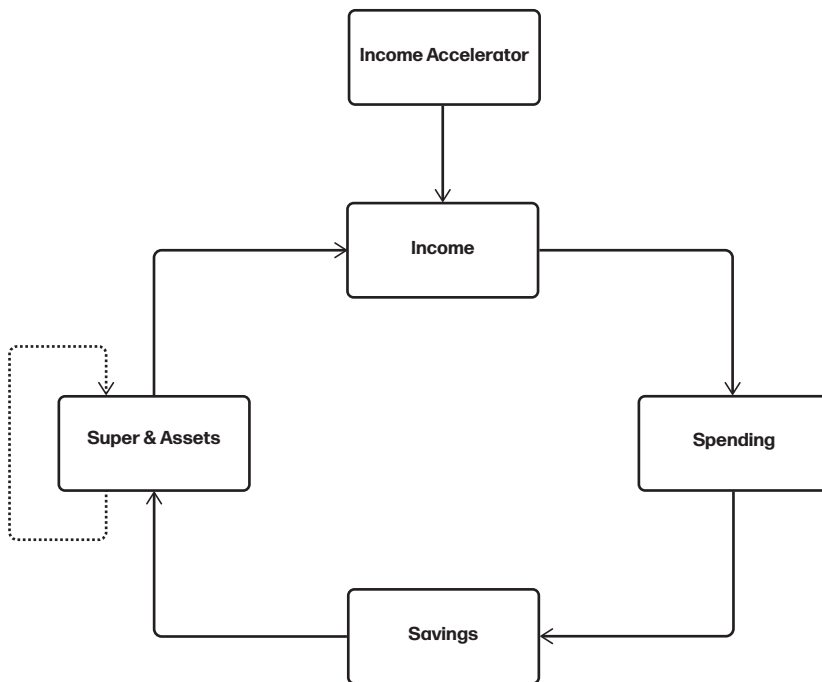
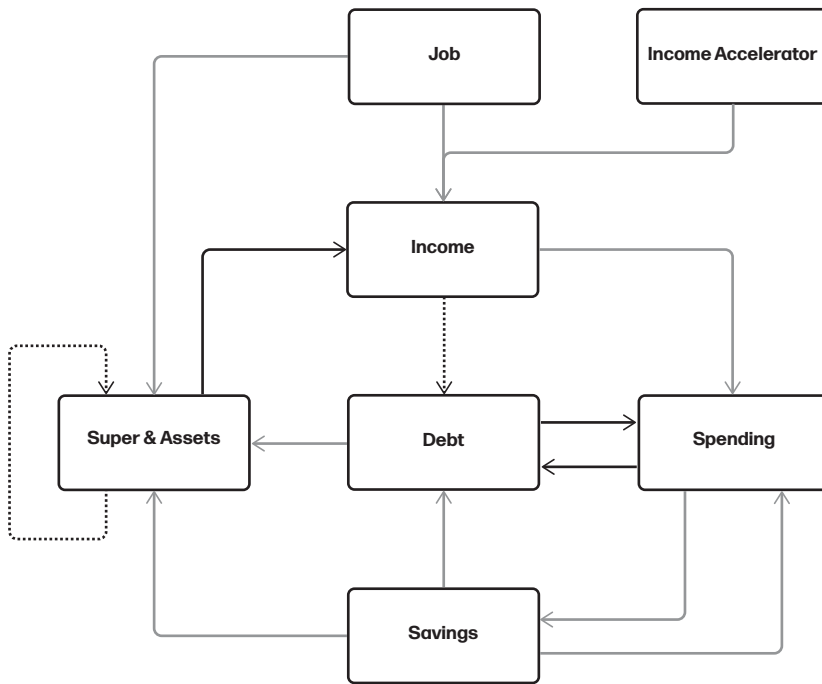
# THE PATHWAY TO PROSPERITY







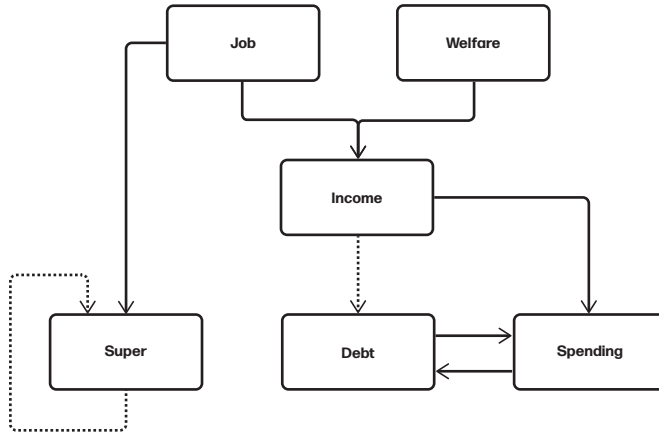
	Left in savings	Repaying debt
<b>Amount</b>	\$3,000	\$3,000
<b>× Annual interest rate</b>	0.5%	10%
<b>= Annual interest</b>	\$15	\$300



### Pathway to Poverty

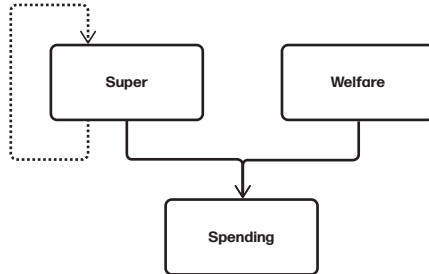
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#### Pre-Retirement



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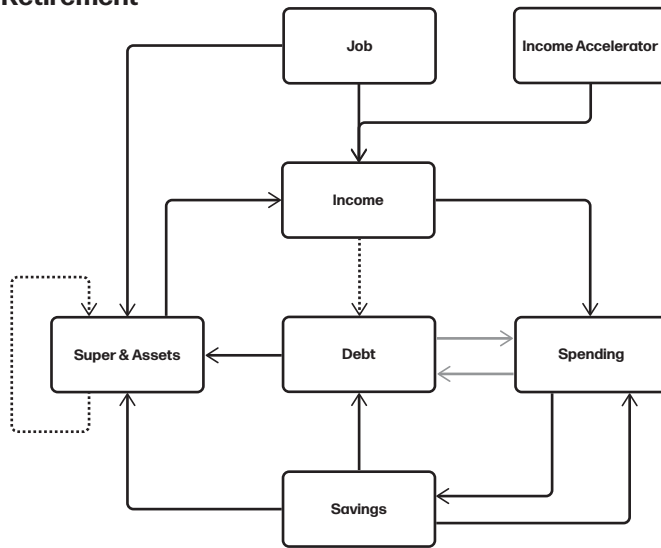
#### Post-Retirement



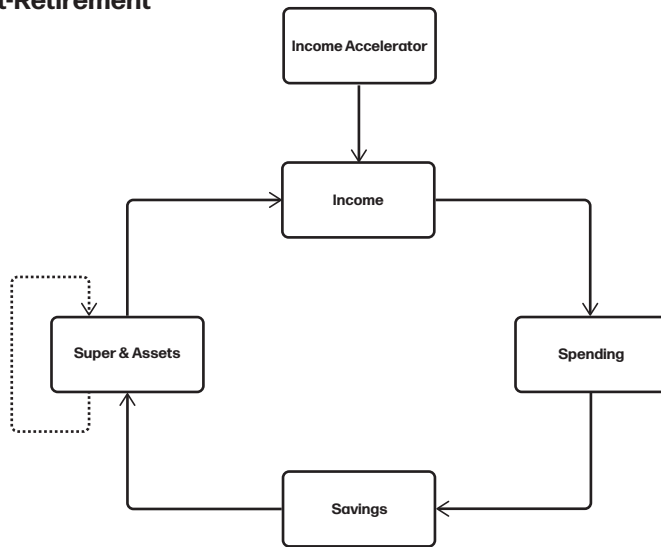


**Pathway to Prosperity**

**Pre-Retirement**



**Post-Retirement**



# CHAPTER TWENTY-THREE

# THE RECIPE FOR GETTING RICH

$$\text{Wealth} = \text{Savings} \times (1 + \text{Return})^{\text{Time}}$$

Investor	Saving	Return	Time
Alex	\$30,000	8%	10 years
Allan	\$15,000	16%	10 years
Ally	\$15,000	8%	20 years

Investor	Recipe	Result
Alex	$\$30,000 \times (1.08)^{10}$	\$64,768
Allan	$\$15,000 \times (1.16)^{10}$	\$66,172
Ally	$\$15,000 \times (1.08)^{20}$	\$69,914

$$\text{Wealth} = \text{Savings} \left( \frac{(1 + \text{Return})^{\text{Time}} - 1}{\text{Return}} \right)$$

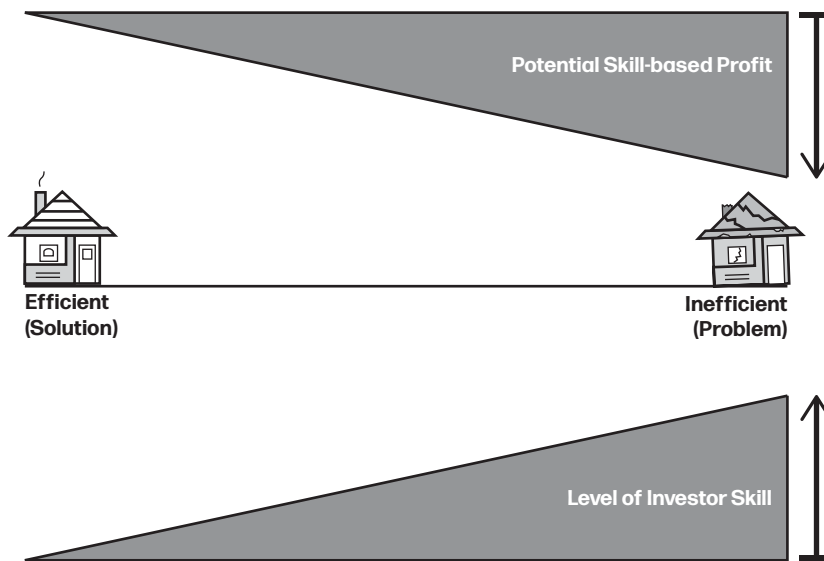
Investor	Annual saving	Return	Time
Alex	\$30,000	8%	5 years
Allan	\$15,000	16%	10 years
Ally	\$5,000	8%	30 years

Investor	Recipe	Result
Alex	$\$30,000 \times [(1.08)^5 - 1] \div 0.08$	\$175,998
Allan	$\$15,000 \times [(1.16)^{10} - 1] \div 0.16$	\$319,822
Ally	$\$5,000 \times [(1.08)^{30} - 1] \div 0.08$	\$566,419

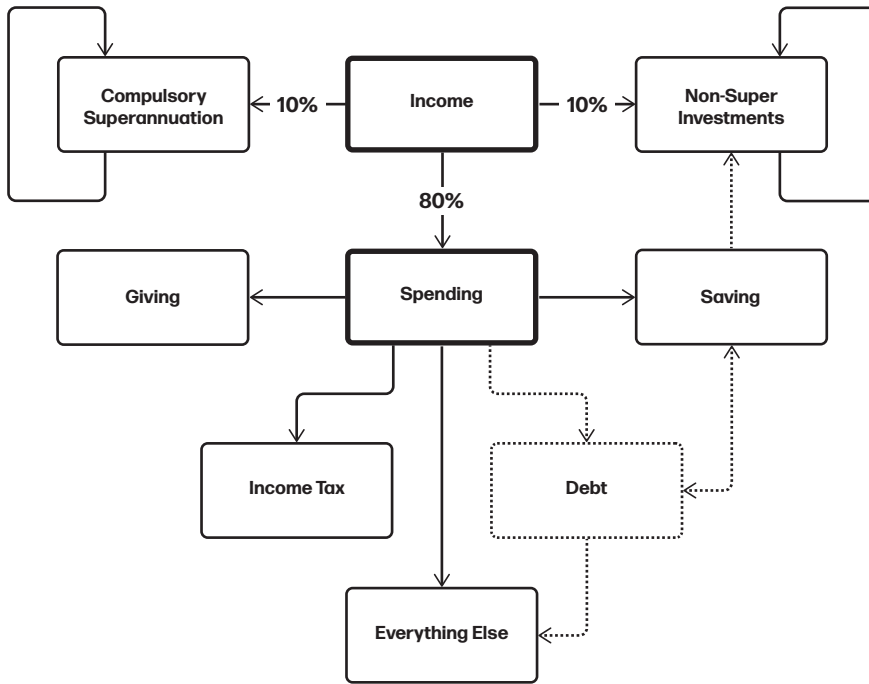
Investor	Result after inflation @ 2 per cent
Alex	\$159,407
Allan	\$262,365
Ally	\$312,702

Investor	Ingredients needed to accumulate \$566 419		
	Annual saving	Return	Time
Alex	\$30,000 <b>\$106,610</b>	8%	5 years
Allan	\$15,000	16% <b>32%</b>	10 years
Ally	\$5,000	8%	30 years

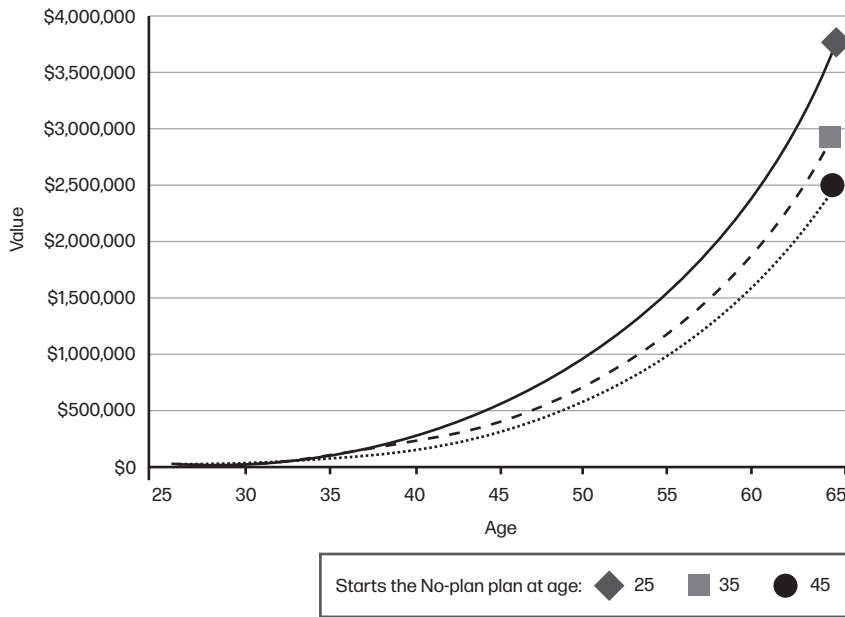
Time	Savings		
	A lot	Average	A little
A lot	Low	Low-medium	Low-medium
Average	Low-medium	Medium	Medium-high
A little	High	High	Very high



Year & age		Investments				
		Spending	Super	Non-super	Total	Inflation adjusted
5	30	\$212,944	\$31,674	\$28,963	\$60,637	\$52,306
10	35	\$447,940	\$83,002	\$73,074	\$156,076	\$116,135
15	40	\$707,393	\$165,544	\$139,532	\$305,076	\$195,817
20	45	\$993,849	\$296,482	\$238,331	\$534,813	\$296,113
25	50	\$1,310,122	\$502,295	\$383,820	\$886,115	\$423,213
30	55	\$1,659,313	\$823,765	\$596,589	\$1,420,354	\$585,167
35	60	\$2,044,849	\$1,323,687	\$906,159	\$2,229,846	\$792,450
40	65	\$2,470,516	\$2,098,730	\$1,354,861	\$3,453,591	\$1,058,722



**No-Plan Plan**



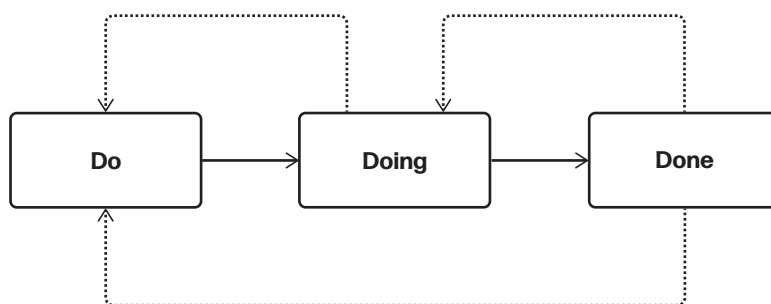
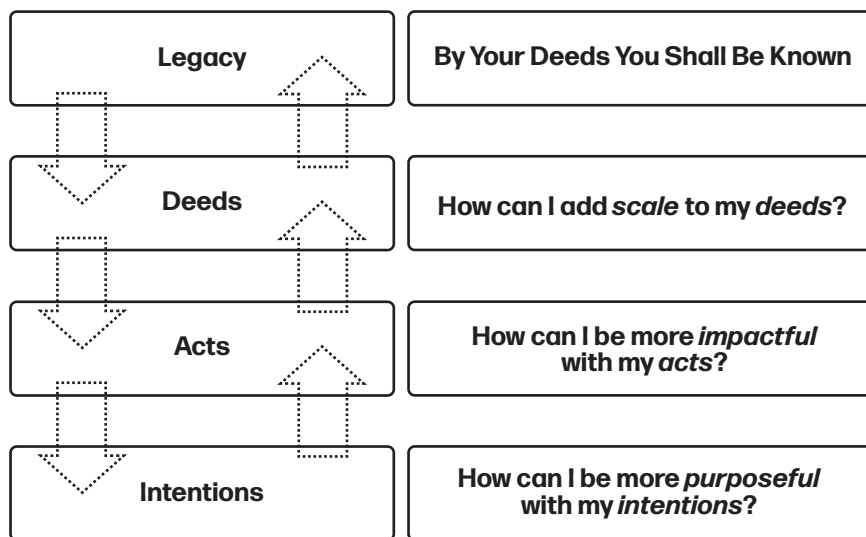
Starting age	Wealth accumulated	Cost of delay	Extra spending
25	\$3,763,623	N/A	N/A
35	\$3,015,008	\$805,309	\$55,742
45	\$2,740,581	\$1,261,259	\$123,814

# PART FOUR

# MAKING YOUR MONEY COUNT

## CHAPTER TWENTY-SIX

# LEAVING A LEGACY



## APPENDIX 3

# ANSWER TO SONJA'S SITUATION

Non-Investment Debt <b>\$366,250</b>	÷	Hourly Net Pay <b>\$42.23</b>	=	Hours Owed <b>8,673 hrs</b>	÷ <b>8</b>	=	Days Owed <b>1,085 days</b>
							÷ <b>260</b> =
							Years Owed <b>4.17 yrs</b>