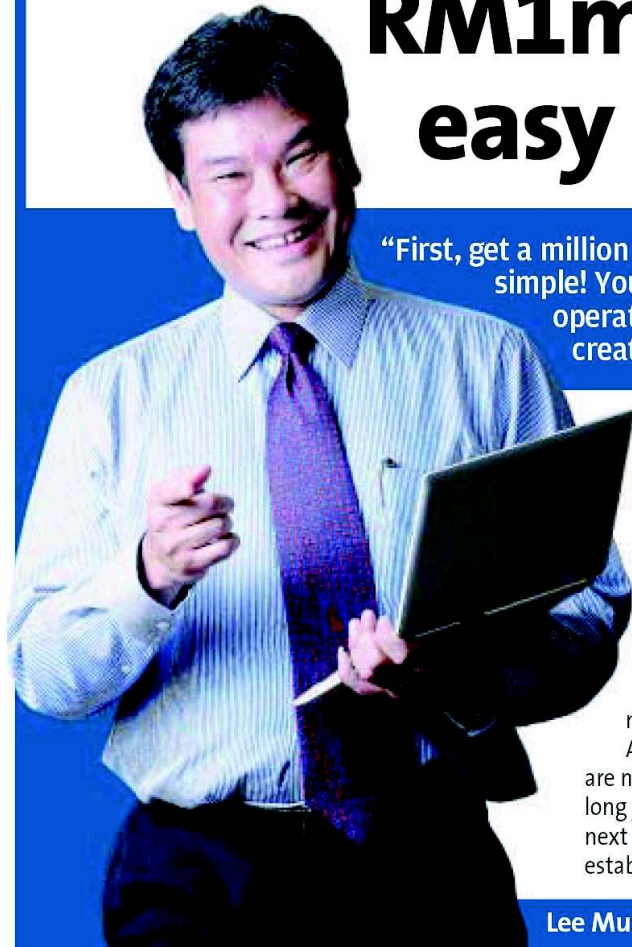


# How to retire with RM1mil in 3 easy steps



**“First, get a million ringgit...” Okay, it’s not that simple! You have to understand how to operate the three steps of wealth creation, writes LEE MUN WAI.**

THE three steps (T.A.R.) are: how much TIME you have, the AMOUNT you save, and your RETURNS on your investment assets. The slightest change in one or two of these steps can affect your path to RM1mil.

The first step is how much TIME you have. When you think about getting your first RM1mil, what comes to mind? Save more money? Get your money to work harder for you?

As important as these factors are, they are not nearly as important as time. How long you allow dictates how you handle the next two steps, which is why you want to establish your time frame before you go

onto the next two steps. However, sometimes you can’t change the Time step – your kids will go to college when they go to college. But sometimes, it’s possible to control the clock.

Take for example, you’re 45 years old, you wish to retire at 60 with RM1mil, and have now saved RM250,000. You’ve got 15 years to go. If you saved RM15,000 a year and earned 5% a year, you wouldn’t get there. But if you delay retirement by three years (age 63), you will hit your goal.

The next step is the AMOUNT you save. It’s like exercising. You can devise the most optimal split between cardio and weights. But if you only exercise for two minutes, it

won’t really help you. If you want to get to your million in 10 years or less: Seriously ramp up the amount of savings you put aside.

The last step is the RETURN your investment assets give you. It’s like a leaking bucket. If the holes are draining the bucket faster than you are filling it, the bucket will never get full. The return on your investment assets need to fill your bucket faster than inflation is draining your savings. If you’re not willing to wait more than 10 years, seek higher returns.

Retiring with a million is as easy as T.A.R. Talk with your financial consultant to help get you there.

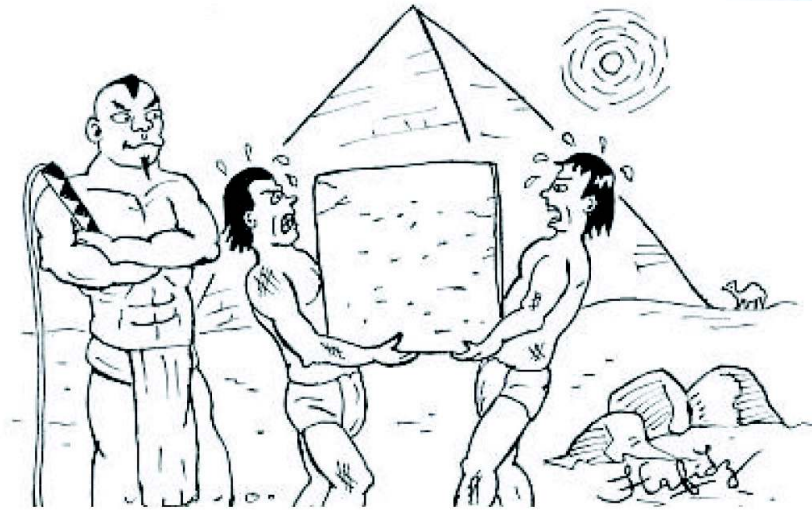


Illustration by HAFIDZ MAHPAR

*“I’m trying to build a retirement nest egg, but I really have mixed feelings about the pharaoh’s decision to raise our retirement age.”*

Lee Mun Wai is vice president of Success Concepts Life Planners