

# Who wants to be a millionaire? top 10 hacks for having \$1 million for retirement....

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Hopefully everyone answered yes to that question about becoming a millionaire. But for many of us that may sound like a pipe dream.

The fact of the matter is that becoming a millionaire isn't as hard it seems if you start following these 10 tips.

## **1. Have a financial plan of attack.**

It's one thing to say that you want to lose 20 pounds, start a business or become a millionaire. It's another to actually sit down and write a realistic plan to make those goals a reality.

"The written plan forces you to do something," says Stewart Welch of The Welch Group in Birmingham, Ala. for . "Calculate what you need to earn and how to invest. The plan isn't just the goal, it's the whole thing -- the dream, the goals, the options. The options are scenario planning -- all the ways you can accomplish that goal -- open a Roth IRA, contribute to a 401(k)."

When it comes to , it doesn't have to be a complex document. It's simple identifying what's important to you, in the case it's reaching a million bucks before your 50, and putting away the right amount of money to accomplish that goal. Write it down and put that figure on your fridge as a daily reminder.

## **2. Invest now.**

This should be obvious. But, you would be surprised at how many people don't start saving until they're in their 30s, 40s or even 50s. So, we'll remind you again. If you start putting money aside when you're younger, than you'll have more time to become a millionaire. For example, a 25 year-old who

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saves \$405 per month with an average annual return of 7 percent will have been able to save their way to a million dollars by the time they turn 65.

However, if you are able to save more each month, you can realistically achieve that millionaire status before you retire.

Using a tool like can help you estimate how long it will take to achieve your goals so that you can save accordingly.

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### **3. Power save.**

Even if you fall behind on your savings, you can still play catch-up by power saving. For example, you can hustle to pay off your mortgage early by staying in your longer than planned and doubling your mortgage payments each month and maxing out your 401(k)s and IRAs. We'll discuss in more detail how to eliminate your debt, but for the time being, just be aware that it's never too late to start saving your way to a million dollars.

### **4. Be frugal.**

I understand that you work hard and want to enjoy the fruits of your labor. But, if you're carelessly spending your paycheck like there's no tomorrow, then how do you expect to reach your financial goals?

Being frugal is actually a habit that millionaires share. And, they do so by;

- Living far below your means.
- Try and shop at bargain stores like Wal-Mart and Target to save.

- Stop wasting money on "get rich quick" schemes.
- Paying with cash instead of using credit cards.
- Getting a so that you have multiple streams of income.
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## 5. Turn your passion into a business.

Speaking of multiple streams of income, it's never been easier to find a side gig, like being an Uber driver or selling products online. But, why not make some extra money by doing something that you actually enjoy?

, access your strengths, determine how much money it will take to start, the time commitment, and doing a little research on the possible market. You may discover that you can start a side business by investing in a \$10 URL.

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While your side gig along may not make you a millionaire, that extra income could be placed into your savings or retirement accounts so that you're putting more money aside each month.

## 6. Play the averages.

As pointed out in , you want to invest like a cheapskate. The reason? Sophisticated strategies are expensive. So, "one way to boost your returns without adding undue risk and costs is to increase exposure to so-called value stocks."

As the article adds, "These are shares of overlooked companies trading at discounts. Not only do value stocks beat shares of fast-growth companies by

around 1.4 percentage points a year over the long run, but these stocks also outperformed in 73 percent of the rolling 10-year periods since 1979.”

It's suggested that you “ add funds like Vanguard Windsor II (VWNFX) until value gets to around 60 percent to 65 percent of your equities.”

## **7. Eliminate your debt.**

When you're spending \$1,000 a year on an interest rate from a credit card with an APR of 22 percent, it becomes challenging to put money towards your million dollar goal. That's why it's important that you get rid of that as soon as you can -- even if that means putting off your savings for a short time.

I even ended up selling my BMW and buying a used Ford Focus to save money when I was trying to eliminate all my debt and save up a nest egg. Do whatever you have too.

One strategy to eliminate this debt is by using the the . This involves;

- Listing your debts based on name (or lender), total amount that is owed, interest rate on the loan, and the amount due each month.
- Putting each category at the top of a column in Excel or a piece of blank paper, however, don't write the debt information down yet. Also add a column for “ new payment.”
- Selecting the loan that has the smallest total amount due and placing it at the top of your list. Continue to add all of your debts from smallest to largest.

- Determine how much extra you are willing to pay above and beyond on your monthly debt minimum payments, and add that amount only to the first loan. Pay the minimum on all other loans.
- After that loan is paid-off, continue working down the list until you're debt-free.

Once you're eliminated your debt, you can start saving that money that you were spending on your loans.

## **8. Automate your savings.**

This is actually pretty straight-forward. Select a specific dollar amount or percentage of your salary that you want to put aside and have that figure withdrawn instantly. This prevents you from spending that money frivolously.

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To get started started, take 2 or 3 percent of your income and place it into a 401(k) or other . You then want to add another percent each year.

Another way to automate your savings is by downloading an app like .

Whenever you use your credit or debit card, the app will round-up to the next dollar and invest that spare change into diversified stocks and bounds.

There are also apps that will take that money and put it into an ebank to save for later.

## **9. Pick-up free money.**

Believe it or not, there is free money out there that you can put towards your retirement. These include;

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- Maxing out your 401(k) by accepting the contributions that your employer matches.
- Opening up a spousal IRA if you or your spouse don't have access to a 401(k).
- Conducting a Roth IRA analysis so that you can calculate the cost of converting past IRA savings to a Roth IRA.
- Put together an HSA account so that you can put tax free money towards health costs.
- Cutting back on investment costs, such as mutual funds and certain 401(k) plans.

## **10. Get professional advice.**

Finally, meeting with a professional financial planner can help steer you in the direction by offering advice on which investments you should target and the ones that you should avoid. In fact, according to , 71 percent of people with deca-millionaire-status have hired a financial adviser.

If you don't have the money to keep a financial planner adviser on retainer, most professionals will still meet with you for a one-time fee.