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Welcome. My name is Andrew Baron, and this is, Well... It Depends! The podcast where I present pros and cons of different financial decisions so that you, the audience, feel better informed when you are confronted with these decisions in your own life. In this episode, I ask the question how much money is enough? But, before we begin a short disclaimer. This is being recorded on January 24th, 2023.

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The contents of this podcast are strictly for informational purposes only and is not to be considered investment, tax or legal advice. It's important to consult with a professional before making any financial decisions as to strategies discussed may not be suitable for you specifically. Getting into it. How much money is enough? Well... It Depends! For many people, money represents status and success. With becoming wealthy is something to strive for.

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Having enough money to pay for our basic needs and still have some aside for luxuries and savings can bring us a sense of security and freedom. On the other hand, constantly chasing after more money could ultimately lead us to stress and dissatisfaction. Depending on your stage of life, how much money is enough may mean different things. For some, leaving behind a large inheritance to their children may be enough.

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For others being able to travel and experience new things without worrying about cost may be enough. According to a recent study by the Federal Reserve, 39% of Americans could not come up with an extra \$400 for an emergency expense. For these affording their basic necessities and still having money for savings may be considered enough.

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For those that are looking to retire around the traditional age of mid-sixties, having 20 to 25 times your annual spending in assets may be considered enough. Having above this is likely to not be consumed by you, but instead passed to your heirs.

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It can be easy to fixate on the numerical amount, but remember, money is not the goal. Money is a tool to be used. Here's a quick exercise. If you knew you would never run out of money for the rest of your life, guaranteed, how hard would you work for your next dollar? How much risk would you take in your portfolio?

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And while you may be originally excited to have more money, remember that there's a cost. Working takes away from the usual activities that you may prefer doing instead, and adding unnecessary risk to your portfolio may cause stress that you may lose, that you've already built up. Money does not produce happiness. Instead, it's important to align your goals with your priorities and values.

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To recap, determining how much money is enough is a personal choice and depends on circumstances and values. Therefore, it's important to set financial goals that align with yours. So, to answer the question how much money is enough? Well... It Depends!

Speaker 1: Andrew Baron, CFP®, EA