

PALO ALTO ODYSSEY

\$3 million isn't enough for retirement

MIRANDA tried to make some sense of her financial situation, to see if she could retire.

After spending a few weeks in Palo Alto, where she'd grown up, she was astonished by all the changes; but also fascinated by the town's new personality and vitality, intertwined with the old.

She wanted to live in Palo Alto. At least for a year or two, while she figured out the next chapter of her life. But could she do it?

Could she retire from her New York lawyering job, return to her hometown and afford to live here? That was the question. Miranda considered her assets. She had about \$3 million in various funds and investments.

Some of her friends had told her \$3 million was not enough to retire on; and when Miranda did some quick numbers, she could see that it wouldn't be enough.

This is part 32 of a 48-part fictionalized serial, written by John Angell Grant.

What a crazy world we live in, Miranda thought to herself, where \$3 million is not enough for a single woman, who enjoys living, to retire on.

Miranda had worked in London for a decade earlier in her life, so she thought her Social Security might not hit the maximum when she retired.

Social Security measured the number of years you were employed, and not so much the amount of income you made.

So if you worked 35 or 40 years, you received the maximum Social Security. But if you worked fewer years, you got less.

Miranda's decade working in London, as the editor of a glossy monthly

publication for lawyers, had been the most fun she had vocationally. She loved being a journalist, but journalism did not pay well; and none of those years abroad counted toward her Social Security.

Miranda had always valued travel and adventure and taking chances in her career. These sharp right-angle turns in her life and career had been very fulfilling; but this meant that she had not been a drone tied to one company for her life.



MIRANDA

Although when the corporate lobbyists got rid of pensions in the 1970s and replaced them with 401(k)s, that was a huge financial fraud, in Miranda's view.

That meant that even people who were tied to one company for a long

time did not come out of it with enough for retirement.

Miranda knew she would need help with this financial analysis. It wasn't her area of expertise.

One financial advisor told her, "Figure out the year you're going to die, say age 90; then figure you'll have zero money that year; and from that we can plan backwards."

"You have no children; so you won't have to leave money to anyone."

That didn't seem like a good plan to Miranda.

"How ironic," she thought. "I have assets of \$3 million, and I'm struggling to develop a plan on how to survive."

"What do people do who have much less than that?"

More tomorrow.