

How Much is Enough?



[Editor's Comment: Today we have a republished post from Physician on FIRE, a member of The White Coat Investor Network. The original post ran here, but if you missed it the first time, it's new to you! Physician on FIRE is all about achieving financial independence and retiring early. In this post, he asks what is Enough. I have Enough but I haven't

stopped working hard or wanting more. I wrote a post about having Beyond Enough which explains how I've had to change my goals to include more giving, more savings, more helping my kids and more expenses for things we enjoy. I'm still figuring out my Beyond Enough but like PoF I agree that we all need to first figure out how much is Enough.]

Enough.

It's a word that factors heavily in so many calculations and decisions we make every day.

How much propofol do I push on induction? Enough.

How much dinner do my boys need to finish and still get a treat? Enough.

How much money should you set aside each month? Enough.

How much do you need to retire? Enough.

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How many shirts do you have in your closet and drawers? More than enough.

How much time do you have to do all the things you want to do? Not nearly enough.

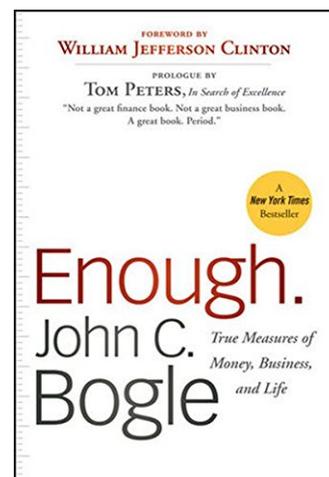
How Much is Enough?

Enough is an amount or number that is highly individualized. [Enough](#) also happens to be the title of a library book I just finished by John C. Bogle of Vanguard fame. From the Introduction:

“At a party given by a billionaire on Shelter Island, Kurt Vonnegut informs his pal, Joseph Heller, that their host, a hedge fund manager, had made more money in a single day than Heller had earned from his wildly popular novel Catch-22 over its whole history. Heller responds, “Yes, but I have something he will never have... enough.”

Like Mr. Bogle, I found this anecdote to be quite compelling. Knowing what Enough means for you and being content when you have Enough is powerful stuff. The hedge fund manager on the hedonic treadmill may never get to Enough. Or, if one day he realizes has Enough money, he may not have Enough of other things that matter in life, like friendship, time, love, and happiness.

I'd like to return to a few of the questions first posed. Exactly how much is Enough? **Propofol**? About 2 to 2.5 mg/kg usually does the trick.



Dinner? We like the boys to finish the things we know they eat and at least try the foods that are new.

The money questions are a focus here on this site. How much is Enough to set aside each month? It depends on your goals, but I'm going to assume that [Financial Independence](#) is among them. To get on a reasonably fast track, do your best to [live on half](#) and FI should be yours within two decades.

How Much to Retire?

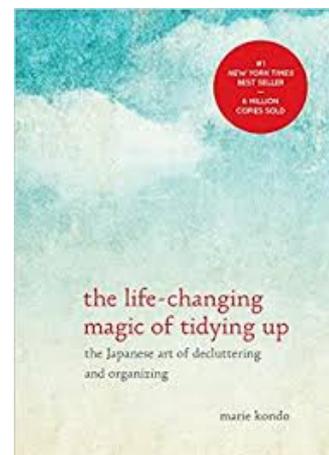
How much is Enough to retire? **At least 25 times** your annual spending, which allows you to use a [4% withdrawal rate](#) and expect it to last 30 years. If you are like me and expect to have a longer lasting retirement, you might be more comfortable with a 3% initial withdrawal rate, and will need a minimum of 33.3 years worth of expenses in your nest egg to have Enough.

Your spending dictates your needs. You have probably figured out that you don't actually need to replace a percentage of your income in retirement as many experts will have you believe. That works if you are spending the vast majority of your earnings each year, but that's not going to be the case for you or me. **The less you spend, the less you need to retire.** Income shouldn't factor into this calculation.

Of course, you need to know how much you spend, and that can

be difficult, particularly early in your career. You are working on paying down student loans, saving up for a down payment on a home, perhaps starting a family or moving for a new job when the first one doesn't pan out.

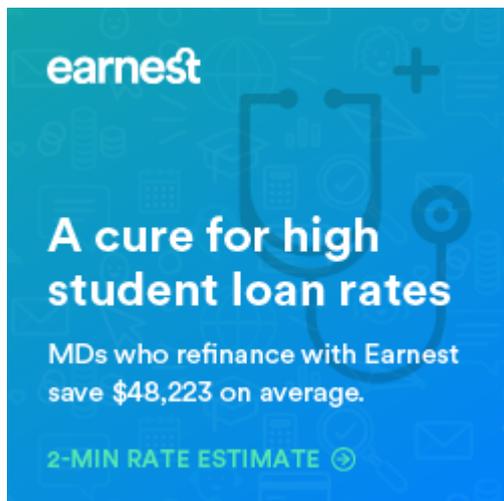
When life becomes stable, you can better look at how you spend your money. The concept of Enough enters the picture again. Are you spending wisely, or spending to add to an ever-growing pile of stuff? My wife, who reads much more and looks much better than me, just finished the über-popular book, [The Life-Changing Magic of Tidying Up: The Japanese Art of Decluttering and Organizing](#).



The premise of the book is that we have way too much stuff, and the author proposes a radical way of helping you offload that burden. We do own too many things, not just my family, but most everyone I know. Yet another book that I borrowed from the library, "[Work Less, Live More](#)" by Bob Clyatt tells me that per capita consumption has doubled over the past 30 years. A peek into your neighbor's garage or mine will confirm the stat.

Recognizing that we have more than Enough stuff is a good start. The next step will be to take bigger steps towards reducing inventory, but that takes time. How much time do I have? Not nearly enough.

Will You Have Enough Time?



How can I “buy some time”? I have written before about how [money buys time](#) and the best way to buy time is by working less (as in [part time](#)) or not working at all in an [early retirement](#). How can we make these lifestyles a reality? We come full circle and start setting aside a good amount of money each month. How much? *Have you been paying any attention???*

Star wide receiver Calvin Johnson of the Detroit Lions seems to understand the concept of Enough. He walked away from \$67 million when he retired early this off-season with plenty left in the tank. Fellow blogger [Mr. Firestation](#) is another man who is on to the concept of Enough. He left his Megacorp job (and the opportunity for further career advancement) April 1, 2016, just a couple weeks shy of his 50th birthday. He’s got Enough and he knows it. John Bogle and Joseph Heller are two more people who have clearly mastered the concept of Enough. Mr. Bogle is proud to share with us the fact that his net worth is less than \$100 million, when there are hedge funders bringing in over a billion a year. His estimated \$80 million could be much higher, but he already has more than Enough.

How do you define Enough? Do you know it when you see it? Will you have Enough money when you are ready to retire? Is \$1 million or \$2 million enough? \$4 million? [\\$10 million!?!?](#)