

Will Your Income Needs Trend Down as You Age?

[! finance.yahoo.com/news/income-needs-trend-down-age-120000131.html](http://finance.yahoo.com/news/income-needs-trend-down-age-120000131.html)

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The image shows the Yahoo! Finance logo in white text on a dark green background. The logo consists of the word "yahoo!" followed by "finance".

Note: This article is part of Morningstar's November 2013 Investor Starter Kit special report. An earlier version of this article appeared Jan. 21.

The 4% rule for safe withdrawals during retirement is a widely cited rule of thumb, probably because it's easy to use and remember. But it also has its share of detractors, who have reasonably pointed out that it's an overly simplified take on an exceptionally complex problem.

Under the 4% rule, retirees withdraw a fixed dollar amount of their portfolios per year, adjusting that amount upward each year with inflation. The trouble is, that static spending rate ignores the fact that the portfolio's value is fluctuating underneath the surface. By turning a blind eye to market conditions and portfolio performance and sticking with a fixed dollar amount withdrawal, the retiree may be taking out an outsized share of the portfolio in bad years and too little in good ones.

The other big problem with static spending rates is that they don't jibe with real life. Emergency expenses and planned splurges cause all of us--whether retired or still working--to spend more in some years and less in others.

Retirement researchers have also examined the extent to which spending fluctuates by life stage in retirement, slicing and dicing the data by age, income level, and spending categories. In general, the data show that spending tends to go down during the retirement years. That might seem like good news, in that it would seem to suggest you might not have to save as much for retirement as you thought. However, there are some important considerations to bear in mind before you take those data to heart when crafting your retirement plan.

What the Data Say

Financial planner Ty Bernicke was one of the first researchers to conduct an in-depth analysis of retiree spending patterns back in 2005. Using data compiled in the Bureau of Labor Statistics Consumer Expenditure Survey, he showed that spending trends down steadily throughout people's later years. A recent run of the same data, summarized nicely on the Bogleheads site, confirms that phenomenon. Households led by people ages 65-74 spent, on average, \$40,685, about 12% less than those in the 55-64 age band. Those age 75 and above demonstrated an even sharper drop-off in spending: Their average expenditures of \$30,946 were 24% lower than those of the 65-74 cohort. Spending surveys conducted and compiled by the Survey Research Center at the University of Michigan for the National Institute on Aging (also summarized on the Bogleheads site), which improves upon the CES methodology by tracking expenditures for the same households from one time period to the next, shows a similar downtrend in expenses over the household's life cycle.

SIMPLY WALLST

- **Can Aura Minerals (AUGO) Turn Era Dorada Into Both a Growth Engine and ESG Proof Point?**

- Aura Minerals Inc. previously announced that its Board approved development of the Era Dorada gold project, with estimated capital expenditures of US\$382.0 million, projected average annual production of 111,000 ounces in the first four years, and an expected 17-year mine life based on S-K 1300 mineral reserves.
- Alongside mine development, Aura secured budget for an advanced water treatment system to supply purified potable water to the surrounding community, underscoring how the project ties operational growth to environmental and social commitments.
- We'll now examine how Era Dorada's approval and its dedicated water treatment investment could reshape Aura Minerals' longer-term investment narrative.

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Aura Minerals Investment Narrative Recap

A shareholder in Aura Minerals has to believe the company can turn its multi-mine growth pipeline into sustainable cash generation while managing leverage and project risk. The Era Dorada approval reinforces that long project queue, but it also adds a US\$382.0 million capital commitment and permitting execution risk, which could be the key near term swing factor. The biggest current risk remains whether Aura can balance heavy growth spending with an already leveraged balance sheet and volatile earnings.

Among recent announcements, the updated Borborema feasibility study is especially relevant here. With reserves lifted to roughly 1.5 million ounces and a planned 20-year life, Borborema is positioned as a long duration cornerstone asset alongside Era Dorada. Together, these projects frame the core growth catalyst for Aura: scaling production across the Americas while trying to keep all-in costs and capital intensity in check so that future earnings can better support dividends and debt.

Yet against Aura's record one year total return, investors should be aware that high debt and large, overlapping project commitments could...

[Read the full narrative on Aura Minerals \(it's free!\)](#)

Aura Minerals' narrative projects \$1.6 billion revenue and \$561.7 million earnings by 2028. This requires 26.2% yearly revenue growth and a \$604.5 million earnings increase from -\$42.8 million today.

[Uncover how Aura Minerals' forecasts yield a \\$44.88 fair value](#), a 50% downside to its current price.

Exploring Other Perspectives



AUGO 1-Year Stock Price Chart

Some of the most optimistic analysts were already penciling in about US\$2.1 billion of revenue and US\$1.0 billion of earnings by 2028, so Era Dorada's approval may either reinforce or challenge those expectations depending on how you weigh its added growth potential against the risk of multi project execution setbacks in Guatemala and elsewhere.

- **Tower Resources Gets Permit For New Diamond Drilling Program at Rabbit North**

Tower Resources (TWR.V) received permit to resume diamond drilling on its Rabbit North orogenic gold

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- **Collective Mining to Commence Drilling at Trap Target in May**

Collective Mining (CNL.TO) will begin drilling at the Trap target in May after receiving a key explo

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- **Trident Closes Option Agreement to Acquire Strategic Claims adjoining the Contact Lake Gold Project**

Trident Resources (ROCK.V) on Wednesday said received TSX Venture Exchange approval and closed its p

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- **Taranis Resources Reports Early Positive Results at the Silver Cup Mining District**

Taranis Resources' (TRO.V) work on an expanded holding for its Thor project in the historic Silver C

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- **IsoEnergy Announcing New At-The-Market Equity Program**

IsoEnergy (ISO.TO) over the weekend said it entered into an equity distribution agreement with Virtu

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SIMPLY WALLST

- **Aura Minerals Expands Era Dorada With ESG Focus And Valuation Tension**

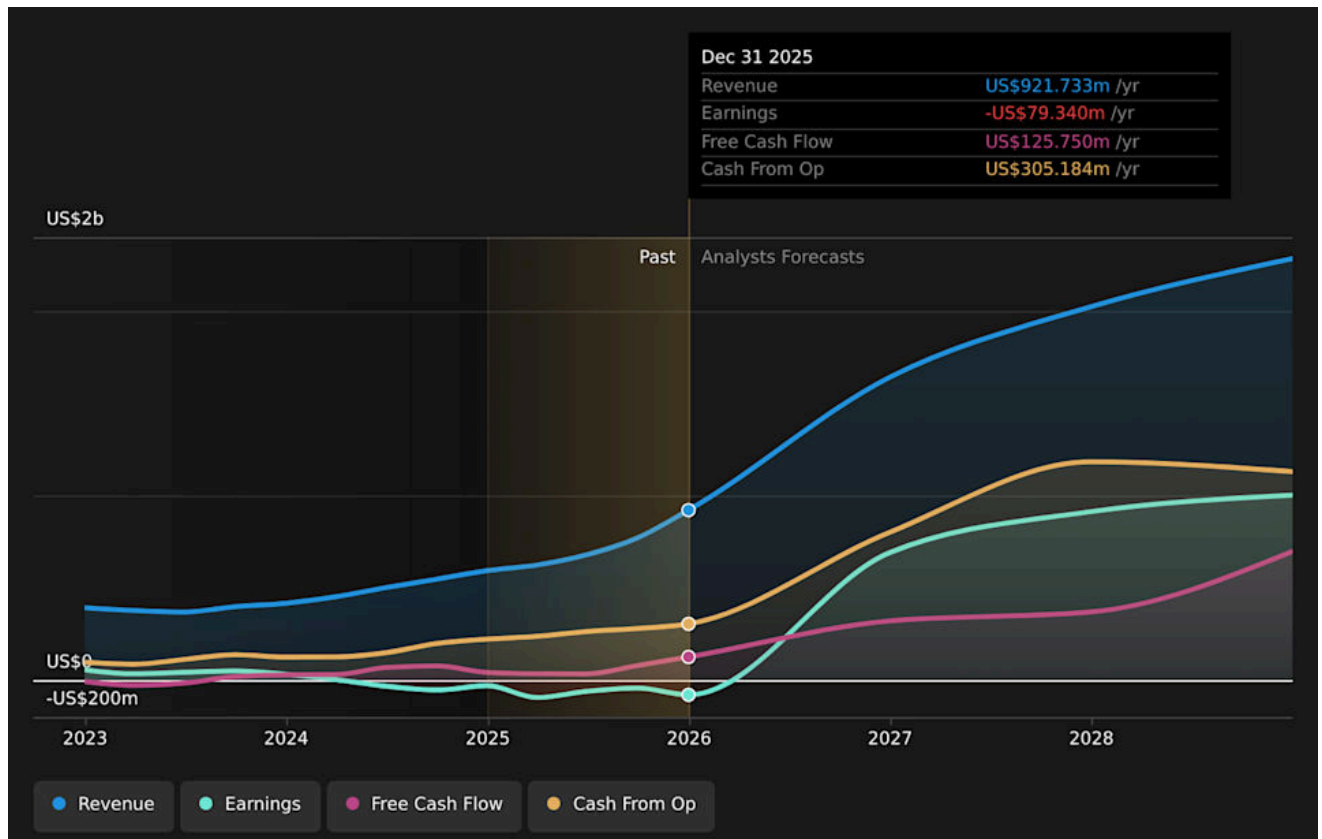
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- Aura Minerals received board approval for the Era Dorada Project, confirming the next phase of development.
- The board also authorized budget for an advanced water treatment system intended to serve both mine operations and the surrounding community.
- The decision follows completion of a feasibility study and life of mine planning that emphasize responsible mining and ESG priorities.

Aura Minerals, traded as NasdaqGS:AUGO, is drawing attention as the Era Dorada Project moves from the study phase into execution with formal board backing. The stock last closed at \$109.14. The very large 1 year and multi year returns signal strong historical momentum in the share price. For investors tracking mining names, this combination of project sanction and ESG centered capital expenditures adds a fresh data point to the Aura Minerals story.

The Era Dorada approval, paired with an advanced water treatment initiative, provides a clearer view of how Aura Minerals is aligning its project plans with environmental and social commitments. As the project progresses, key questions will center on execution against the life of mine plan, the effectiveness of the water solution for local communities, and how these factors influence Aura Minerals' risk profile and its long term appeal for ESG focused portfolios.

Stay updated on the most important news stories for [Aura Minerals](#) by adding it to your [watchlist](#) or [portfolio](#). Alternatively, explore our [Community](#) to discover new perspectives on Aura Minerals.



NasdaqGS:AUGO Earnings & Revenue Growth as at Apr 2026

[2 things going right for Aura Minerals that this headline doesn't cover.](#)

Quick Assessment

- ⓘ **Price vs Analyst Target:** At US\$109.14 versus a consensus target of US\$92.99, Aura Minerals trades about 17% above analyst expectations.
- ✅ **Simply Wall St Valuation:** Simply Wall St estimates the shares are trading about 74.2% below its fair value, which screens as heavily undervalued.
- ✅ **Recent Momentum:** A 30 day return of 0.79% shows modest positive momentum heading into the Era Dorada and ESG capex phase.

There is only one way to know the right time to buy, sell or hold Aura Minerals. Head to Simply Wall St's [company report for the latest analysis of Aura Minerals's Fair Value.](#)

Key Considerations

- 📊 Era Dorada and the advanced water treatment plan tie Aura Minerals more closely to ESG focused themes in gold and copper production.
- 📊 Watch how project spending, future production updates and any revisions to analyst targets compare with the current US\$109.14 price and DCF based valuation.

- ⚠️ Simply Wall St flags three minor risks, including high debt and share price volatility, which could matter as execution risk around a new project increases.

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