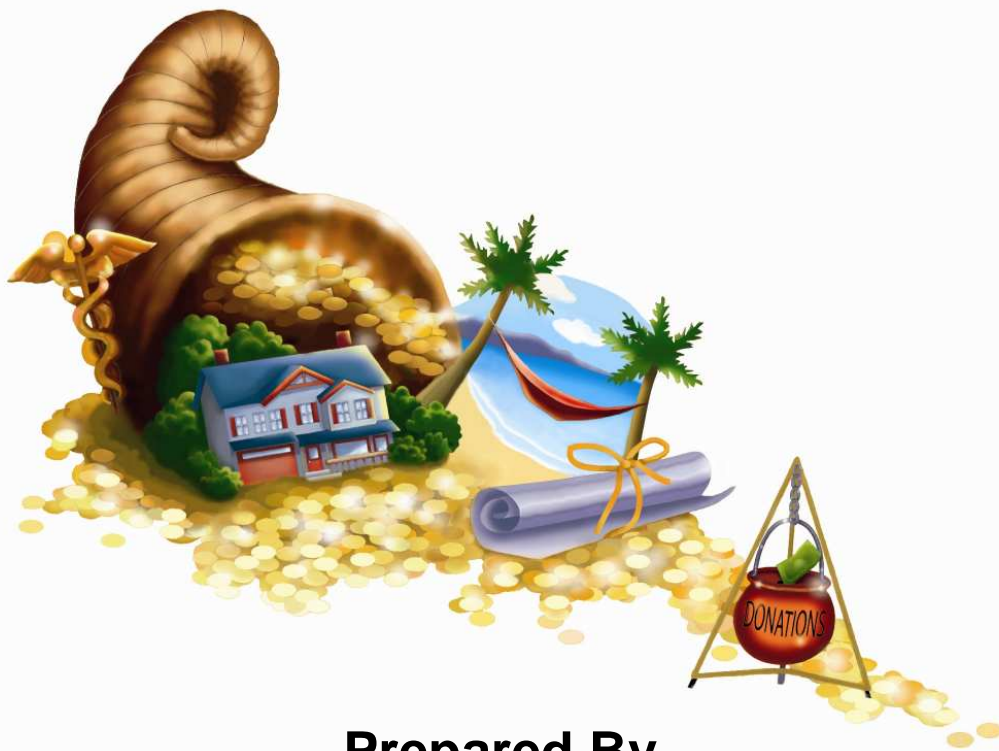


**Planning  
an  
Abundant Retirement  
For  
John and Mary Smith**



**Prepared By**

**Wayne Farlow, CFP**



## **I. The Goal**

The goal of an abundant retirement is to maintain your current standard of living throughout your retirement years. While many retirement plans assume that you will be able to live on a predetermined percentage (usually 70% - 80%) of your pre-retirement expenses, an abundant retirement plan allows you to determine the spending reductions and the spending increases that you may want during your retirement years.

As an example, in your plan, you wish to spend \$10,000 more annually to travel. However, your taxes will be significantly reduced, so that your total projected retirement spending will be approximately the same as your pre-retirement spending.

## **II. The Analysis**

Financial Abundance, LLC has developed a proprietary spreadsheet to comprehensively analyze your pre and post retirement finances. Based on the questionnaire that you provided, we analyze your spending, savings and investment returns between now and your anticipated retirement year of 2024.

I have made the following assumptions in the spreadsheet analysis:

1. Inflation will remain a constant 3%
2. After tax Investments return is 6%, for a real rate of return of 3%.
3. Both John and Mary will begin drawing Social Security when John reaches age 65.

Based on the above assumptions, the data was entered into the Financial Abundance retirement spreadsheet. Sheet 2 of the spreadsheet shows your pre-retirement financials. As you can see, your liquid net worth over the next 15 years is projected to grow from \$372,070 to \$1,652,015

However, based on your projected spending, your savings could be depleted 2042 when John is 84 and Mary is 82. While you will likely decrease your spending as you age, this shortfall is significant. In the next section, we will consider retirement strategies to increase the retirement time before your finances are depleted.



## Budget Worksheet

|                                    |   |                             |                                       |
|------------------------------------|---|-----------------------------|---------------------------------------|
| Gross Annual Income (H)            | <input type="text" value="\$85,000"/>         | Gross Annual Income (W)     | <input type="text" value="\$55,000"/> |
| Ret. Plan Contributions (H)        | <input type="text" value="\$8,500"/>          | Ret. Plan Contributions (H) | <input type="text" value="\$5,500"/>  |
| <b>Total Non Retirement Income</b> | <b><input type="text" value="\$126,000"/></b> |                             |                                       |

### Annual Living Expenses

|                              |  |                                 |  |
|------------------------------|--|---------------------------------|--|
| Groceries                    | <input type="text" value="\$12,000"/>        | Dining Out                      | <input type="text" value="\$8,000"/>         |
| Automobile Payments          | <input type="text" value="\$6,000"/>         | Automobile Expenses             | <input type="text" value="\$3,000"/>         |
| Travel and Vacations         | <input type="text" value="\$6,000"/>         | Entertainment                   | <input type="text" value="\$3,000"/>         |
| House Expenses               | <input type="text" value="\$3,000"/>         | HOA Dues                        | <input type="text" value="\$1,000"/>         |
| Clothing                     | <input type="text" value="\$2,500"/>         | Hair & Beauty Services          | <input type="text" value="\$1,000"/>         |
| Home Insurance               | <input type="text" value="\$1,200"/>         | Automobile Insurance            | <input type="text" value="\$3,000"/>         |
| Life Insurance               | <input type="text" value="\$1,300"/>         | Disability Insurance            | <input type="text"/>                         |
| Credit Card Interest         | <input type="text"/>                         | Non Reim. Business Expenses     | <input type="text"/>                         |
| K-12 School Tuition          | <input type="text"/>                         | School Supplies                 | <input type="text"/>                         |
| Telephone & Cell Phone       | <input type="text" value="\$2,400"/>         | Cable                           | <input type="text" value="\$1,500"/>         |
| Gas & Electric Utilities     | <input type="text" value="\$5,000"/>         | Water                           | <input type="text" value="\$500"/>           |
| Trash Collection             | <input type="text"/>                         | Miscellaneous                   | <input type="text" value="\$4,000"/>         |
| <b>Total Living Expenses</b> | <b><input type="text" value="\$64,400"/></b> | <b>Annual Mortgage Payments</b> | <b><input type="text" value="\$21,600"/></b> |

### Annual Taxes

|                           |  |                  |                                      |
|---------------------------|--|------------------|--------------------------------------|
| Federal Income Tax        | <input type="text" value="\$11,750"/>        | State Income Tax | <input type="text" value="\$3,500"/> |
| FICA Taxes                | <input type="text" value="\$10,710"/>        | Property Taxes   | <input type="text" value="\$4,000"/> |
| <b>Total Annual Taxes</b> | <b><input type="text" value="\$29,960"/></b> |                  |                                      |

### Other Payments

|                               |   |                                 |   |
|-------------------------------|---|---------------------------------|---|
| Medical Insurance Payments    | <input type="text" value="\$3,000"/>        | Medical Service Payments        | <input type="text" value="\$1,500"/>        |
| <b>Total Medical Expenses</b> | <b><input type="text" value="\$4,500"/></b> | <b>Charitable Contributions</b> | <b><input type="text" value="\$5,000"/></b> |
| <b>Income for Savings</b>     | <b><input type="text" value="\$540"/></b>   |                                 |   |



## Retirement Questionnaire

|                                     |  |  |  |
|-------------------------------------|--|--|--|
| Age of Husband                      | <input type="text" value="50"/>        | Age of Wife  | <input type="text" value="48"/>        |
| Age Husband will Retire             | <input type="text" value="65"/>        | Age Wife will Retire   | <input type="text" value="63"/>        |
| Gross Annual Income (H)             | <input type="text" value="\$85,000"/>  | Gross Annual Income (W)  | <input type="text" value="\$55,000"/>  |
| Annual Living Expenses              | <input type="text" value="\$64,400"/>  | Annual Charitable Contributions  | <input type="text" value="\$5,000"/>   |
| Annual Mortgage                     | <input type="text" value="\$21,600"/>  | Year's left on Mortgage  | <input type="text" value="18"/>        |
| Annual Medical Expenses             | <input type="text" value="\$4,500"/>   | Include Medical Insurance and all medical expenses for which you are responsible |  |
| Annual Taxes                        | <input type="text" value="\$29,960"/>  | Include Income, Property Social Security Taxes                                   |  |
| Educational Expenses                | <input type="text" value="\$80,000"/>  | Estimate all future family educational expenses in today's dollars               |  |
| Years until Ed Expenses start       | <input type="text" value="0"/>         | If you are currently paying educational expenses, enter 0                        |  |
| Years until Ed Expenses end         | <input type="text" value="3"/>         | Educational Savings  | <input type="text" value="\$15,000"/>  |
| Ret. Plan Contributions (H)         | <input type="text" value="\$8,500"/>   | Ret. Plan Contributions (W)  | <input type="text" value="\$5,500"/>   |
| Company Matching Cont. (H)          | <input type="text" value="\$5,000"/>   | Company Matching Cont. (W)   | <input type="text" value="\$1,500"/>   |
| Est. SS benefits at FRA (H)         | <input type="text" value="\$1,851"/>   | Est. SS benefits at FRA (W)  | <input type="text" value="\$1,320"/>   |
| Estimated Pension at 65 (H)         | <input type="text" value="\$0"/>       | Estimated Pension at 65 (W)  | <input type="text"/>                   |
| Pension with COLA (H) ?             | <input type="text" value="no"/>        | Pension with COLA (W) ?  | <input type="text"/>                   |
| Tax Def. Ret. Savings (H)           | <input type="text" value="\$175,000"/> | Tax Def. Ret. Savings (W)  | <input type="text" value="\$80,000"/>  |
| Roth Retirement Savings (H)         | <input type="text" value="\$0"/>       | Roth Retirement Savings (W)  | <input type="text" value="\$0"/>       |
| Deferred Annuity Value (H)          | <input type="text"/>                   | Deferred Annuity Value (W)   | <input type="text"/>                   |
| Family Taxable Savings              | <input type="text" value="\$75,000"/>  | Expected Return on Investments   | <input type="text" value="6.0%"/>      |
| Current Value of Home               | <input type="text" value="\$600,000"/> | Expected Inflation Rate  | <input type="text" value="3.0%"/>      |
| Value of Other Real Estate          | <input type="text"/>                   | Total Value of Liquid Investments  | <input type="text" value="\$330,000"/> |
| Net Income from Real Estate         | <input type="text"/>                   | Do You Own a Business  | <input type="text" value="NO"/>        |
| Net Value of Non Liquid Investments | <input type="text"/>                   | Net Value from Business for Retirement   | <input type="text"/>                   |



## Spending Changes During Retirement

For each of the following expenses, estimate the anticipated annual change in spending during your retirement years. If spending will increase use a positive number. If spending will decrease use a negative number. If spending will stay constant, enter 0. Use Today's dollars for all values.

|                                     |  |
|-------------------------------------|--|
| <b>Clothes</b>                      | <input type="text"/>                   |
| <b>Automobile</b>                   | <input type="text"/>                   |
| <b>Travel</b>                       | <input type="text" value="\$10,000"/>  |
| <b>Eating Out</b>                   | <input type="text" value="\$3,000"/>   |
| <b>Disability Insurance</b>         | <input type="text"/>                   |
| <b>Life Insurance</b>               | <input type="text" value="-\$1,300"/>  |
| <b>Income Taxes</b>                 | <input type="text" value="-\$6,000"/>  |
| <b>Social Security Taxes</b>        | <input type="text" value="-\$10,700"/> |
| <b>Medical Insurance</b>            | <input type="text" value="\$0"/>       |
| <b>Medical Expenses</b>             | <input type="text" value="\$3,500"/>   |
| <b>Second Home Expenses</b>         | <input type="text"/>                   |
| <b>Other Expenses</b>               | <input type="text" value="\$2,000"/>   |
| <b>Retirement Spending Change</b>   | <input type="text" value="\$500"/>     |
| <b>Spending Change in Future \$</b> | <input type="text" value="\$779"/>     |



## Pre Retirement Financials

| <b>Year</b>   | <b>Husband's Age</b> | <b>Wife's Age</b> | <b>Non-Retirement Income</b> | <b>Annual Expenses</b> | <b>Retirement Contributions</b> | <b>Investment Income</b> | <b>Ending Total</b> |
|---------------|----------------------|-------------------|------------------------------|------------------------|---------------------------------|--------------------------|---------------------|
| <b>2008</b>   | <b>50</b>            | <b>48</b>         | \$126,000                    | \$125,460              | \$20,500                        | \$21,030                 | \$372,070           |
| <b>2009</b>   | <b>51</b>            | <b>49</b>         | \$129,780                    | \$128,576              | \$21,115                        | \$23,591                 | \$417,980           |
| <b>2010</b>   | <b>52</b>            | <b>50</b>         | \$133,673                    | \$131,785              | \$21,748                        | \$26,384                 | \$468,001           |
| <b>2011</b>   | <b>53</b>            | <b>51</b>         | \$137,684                    | \$135,091              | \$22,401                        | \$29,424                 | \$522,419           |
| <b>2012</b>   | <b>54</b>            | <b>52</b>         | \$141,814                    | \$138,495              | \$23,073                        | \$32,730                 | \$581,540           |
| <b>2013</b>   | <b>55</b>            | <b>53</b>         | \$146,069                    | \$142,002              | \$23,765                        | \$36,318                 | \$645,690           |
| <b>2014</b>   | <b>56</b>            | <b>54</b>         | \$150,451                    | \$145,614              | \$24,478                        | \$40,210                 | \$715,214           |
| <b>2015</b>   | <b>57</b>            | <b>55</b>         | \$154,964                    | \$149,335              | \$25,212                        | \$44,426                 | \$790,482           |
| <b>2016</b>   | <b>58</b>            | <b>56</b>         | \$159,613                    | \$153,167              | \$25,969                        | \$48,987                 | \$871,884           |
| <b>2017</b>   | <b>59</b>            | <b>57</b>         | \$164,401                    | \$157,114              | \$26,748                        | \$53,918                 | \$959,837           |
| <b>2018</b>   | <b>60</b>            | <b>58</b>         | \$169,333                    | \$161,179              | \$27,550                        | \$59,243                 | \$1,054,785         |
| <b>2019</b>   | <b>61</b>            | <b>59</b>         | \$174,413                    | \$165,367              | \$28,377                        | \$64,990                 | \$1,157,198         |
| <b>2020</b>   | <b>62</b>            | <b>60</b>         | \$179,646                    | \$169,680              | \$29,228                        | \$71,186                 | \$1,267,578         |
| <b>2021</b>   | <b>63</b>            | <b>61</b>         | \$185,035                    | \$174,122              | \$30,105                        | \$77,861                 | \$1,386,458         |
| <b>2022</b>   | <b>64</b>            | <b>62</b>         | \$190,586                    | \$178,698              | \$31,008                        | \$85,048                 | \$1,514,402         |
| <b>2023</b>   | <b>65</b>            | <b>63</b>         | \$196,304                    | \$183,410              | \$31,938                        | \$92,780                 | \$1,652,015         |
| <b>Totals</b> |                      |                   | \$2,539,767                  | \$2,439,094            | \$413,216                       | \$808,125                | \$1,652,015         |

**Inflation 3.0%**



## Retirement Financial Information

### Real Estate

Will you sell rental real estate to fund retirement?

If Yes, what is the anticipated net value of the real estate you will sell?

If you will downsize your house, what is the anticipated net gain?

What is the current net rental income you will receive in retirement?

### Other Investment Property

Net value of non- liquid investments to be sold at Retirement

### Social Security Income

|  |                                       |                            |                                      |
|--|---------------------------------------|----------------------------|--------------------------------------|
| Husband's Full Retirement Age (FRA)        | <input type="text" value="66.5"/>     | Wife's FRA                 | <input type="text" value="67"/>      |
| Years until Husband's FRA                  | <input type="text" value="16.5"/>     | Years until Wife's FRA     | <input type="text" value="19"/>      |
| Husband's FRA Benefit Amount               | <input type="text" value="\$3,015"/>  | Wife's FRA Benefit Amt.    | <input type="text" value="\$2,315"/> |
| 1/2 Wife's FRA Benefit                     | <input type="text" value="\$1,075"/>  | 1/2 Husband's Benefit      | <input type="text" value="\$1,623"/> |
| Husband's FRA Benefit                      | <input type="text" value="\$3,015"/>  | Wife's FRA Benefit         | <input type="text" value="\$2,315"/> |
| If Early, Years Before FRA                 | <input type="text" value="1.5"/>      | If Early, years before FRA | <input type="text" value="4"/>       |
| Early Retirement Benefit                   | <input type="text" value="\$2,596"/>  | Early Retirement Benefit   | <input type="text" value="\$1,736"/> |
| If Late, Years After FRA                   | <input type="text" value="0"/>        | If Late, Years After FRA   | <input type="text"/>                 |
| Late Retirement Benefit                    | <input type="text" value="\$3,015"/>  | Late Retirement Benefit    | <input type="text" value="\$2,315"/> |
| Husband's Retirement Benefit               | <input type="text" value="\$2,596"/>  | Wife's Retirement Benefit  | <input type="text" value="\$1,736"/> |
| <b>Total Annual Social Security Income</b> | <input type="text" value="\$51,980"/> |                            |                                      |



## Retirement Changes

### Savings

|   |           |
|---|-----------|
| Educational Expenses in Future Dollars          | \$83,627  |
| Educational Savings in Future Dollars           | \$16,370  |
| Change for Educational Expenses                 | -\$67,257 |
| Real Estate & Other Property sold at Retirement | \$0       |

### Income

|  |     |
|--|-----|
| Husband's Pension with Cost of Living Adjustment | \$0 |
| Wife's Pension with Cost of Living Adjustment    |     |
| Cost of Living Pensions                          | \$0 |
| Husband's Non COLA Pension                       | \$0 |
| Wife's Non COLA Pension                          | \$0 |
| Non Cola Pensions                                | \$0 |



## 30 Year Retirement Projections No Change

|             | <u>Savings</u>     | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|-------------|--------------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| <b>2024</b> | <b>\$1,584,758</b> |           | \$184,189       |            | \$51,980      | \$95,085                    | \$1,547,634                |
| <b>2025</b> | \$1,547,634        |           | \$189,715       |            | \$53,540      | \$92,858                    | \$1,504,316                |
| <b>2026</b> | \$1,504,316        | -\$21,600 | \$173,807       |            | \$55,146      | \$90,259                    | \$1,475,914                |
| <b>2027</b> | \$1,475,914        |           | \$179,021       |            | \$56,800      | \$88,555                    | \$1,442,249                |
| <b>2028</b> | \$1,442,249        |           | \$184,391       |            | \$58,504      | \$86,535                    | \$1,402,896                |
| <b>2029</b> | \$1,402,896        |           | \$189,923       |            | \$60,259      | \$84,174                    | \$1,357,406                |
| <b>2030</b> | \$1,357,406        |           | \$195,621       |            | \$62,067      | \$81,444                    | \$1,305,296                |
| <b>2031</b> | \$1,305,296        |           | \$201,490       |            | \$63,929      | \$78,318                    | \$1,246,054                |
| <b>2032</b> | \$1,246,054        |           | \$207,534       |            | \$65,847      | \$74,763                    | \$1,179,130                |
| <b>2033</b> | \$1,179,130        |           | \$213,760       |            | \$67,822      | \$70,748                    | \$1,103,939                |
| <b>2034</b> | \$1,103,939        |           | \$220,173       |            | \$69,857      | \$66,236                    | \$1,019,860                |
| <b>2035</b> | \$1,019,860        |           | \$226,778       |            | \$71,953      | \$61,192                    | \$926,226                  |
| <b>2036</b> | \$926,226          |           | \$233,582       |            | \$74,111      | \$55,574                    | \$822,329                  |
| <b>2037</b> | \$822,329          |           | \$240,589       |            | \$76,335      | \$49,340                    | \$707,414                  |
| <b>2038</b> | \$707,414          |           | \$247,807       |            | \$78,625      | \$42,445                    | \$580,677                  |
| <b>2039</b> | \$580,677          |           | \$255,241       |            | \$80,983      | \$34,841                    | \$441,260                  |
| <b>2040</b> | \$441,260          |           | \$262,898       |            | \$83,413      | \$26,476                    | \$288,251                  |
| <b>2041</b> | \$288,251          |           | \$270,785       |            | \$85,915      | \$17,295                    | \$120,676                  |
| <b>2042</b> | \$120,676          |           | \$278,909       |            | \$88,493      | \$7,241                     | \$0                        |
| <b>2043</b> | \$0                |           | \$287,276       |            | \$91,147      | \$0                         | \$0                        |
| <b>2044</b> | \$0                |           | \$295,894       |            | \$93,882      | \$0                         | \$0                        |
| <b>2045</b> | \$0                |           | \$304,771       |            | \$96,698      | \$0                         | \$0                        |
| <b>2046</b> | \$0                |           | \$313,914       |            | \$99,599      | \$0                         | \$0                        |
| <b>2047</b> | \$0                |           | \$323,332       |            | \$102,587     | \$0                         | \$0                        |
| <b>2048</b> | \$0                |           | \$333,031       |            | \$105,665     | \$0                         | \$0                        |
| <b>2049</b> | \$0                |           | \$343,022       |            | \$108,835     | \$0                         | \$0                        |
| <b>2050</b> | \$0                |           | \$353,313       |            | \$112,100     | \$0                         | \$0                        |
| <b>2051</b> | \$0                |           | \$363,912       |            | \$115,463     | \$0                         | \$0                        |
| <b>2052</b> | \$0                |           | \$374,830       |            | \$118,927     | \$0                         | \$0                        |
| <b>2053</b> | \$0                |           | \$386,075       |            | \$122,495     | \$0                         | \$0                        |
| <b>2054</b> | \$0                |           | \$397,657       |            | \$126,169     | \$0                         | \$0                        |



### III. Retirement Strategies

There are many possibilities that can extend your retirement savings. I have chosen 3 possible strategies that can increase the time frame in which your finances can support the abundant retirement that you desire. For each strategy, I provide the number of years that the strategy will extend your abundant retirement timeline.

1. *Replace your current house with a house that would cost \$200,000 less in 2023.* Your present home has a market value of approximately \$600,000. Upon retirement in 15 years, you may decide that your present house is larger than you require in your retirement years. If you purchase a home that is worth \$200,000 less in 2023 (\$128K less in today's dollars) your retirement time line would increase by approximately 4 years.
2. *Delay your retirement for 1 year.* If you delay your retirement until John is age 66 and Mary is age 64, this delay could add approximately 5 years to the time in which your finances are depleted. By combining 1 above with this approach, your finances would last until 2052, when John is 92 and Mary is 90.
3. *Increase investment return by 1% annually, providing a "real rate of return of 4% annually.* In your retirement analysis, I have used a conservative 6% investment return, with 3% annual inflation, for a real rate of return of only 3%. By proper investment management, using investment approaches with a low cost, you may be able to increase your annualized return by at least 1% annually. If so, you will add approximately 7 years to the time in which your finances are depleted.
4. *Replace your current house with a house that would cost \$200,000 less in 2023 and increase your investment return by 1%.* By combining the strategies of 1. and 3. above, your time line will be extended by 12 years until Jon is 96 and Mary is 94.
5. *Delay your retirement for 1 year and increase your investment return by 1%.* By combining the strategies of 2. and 3. above, you will have approximately \$600K remaining when John turns 97 and Mary is 95.

While the first two strategies requires sacrifice, they may help to provide a greatly enhanced ability to maintain the abundant retirement that you wish throughout your retirement years.



## 30 Year Retirement Projections Replace House

|             | <u>Savings</u>     | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|-------------|--------------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| <b>2024</b> | <b>\$1,784,758</b> |           | \$184,189       |            | \$51,980      | \$107,085                   | \$1,759,634                |
| <b>2025</b> | \$1,759,634        |           | \$189,715       |            | \$53,540      | \$105,578                   | \$1,729,036                |
| <b>2026</b> | \$1,729,036        | -\$21,600 | \$173,807       |            | \$55,146      | \$103,742                   | \$1,714,118                |
| <b>2027</b> | \$1,714,118        |           | \$179,021       |            | \$56,800      | \$102,847                   | \$1,694,744                |
| <b>2028</b> | \$1,694,744        |           | \$184,391       |            | \$58,504      | \$101,685                   | \$1,670,541                |
| <b>2029</b> | \$1,670,541        |           | \$189,923       |            | \$60,259      | \$100,232                   | \$1,641,110                |
| <b>2030</b> | \$1,641,110        |           | \$195,621       |            | \$62,067      | \$98,467                    | \$1,606,022                |
| <b>2031</b> | \$1,606,022        |           | \$201,490       |            | \$63,929      | \$96,361                    | \$1,564,823                |
| <b>2032</b> | \$1,564,823        |           | \$207,534       |            | \$65,847      | \$93,889                    | \$1,517,025                |
| <b>2033</b> | \$1,517,025        |           | \$213,760       |            | \$67,822      | \$91,022                    | \$1,462,109                |
| <b>2034</b> | \$1,462,109        |           | \$220,173       |            | \$69,857      | \$87,727                    | \$1,399,519                |
| <b>2035</b> | \$1,399,519        |           | \$226,778       |            | \$71,953      | \$83,971                    | \$1,328,665                |
| <b>2036</b> | \$1,328,665        |           | \$233,582       |            | \$74,111      | \$79,720                    | \$1,248,915                |
| <b>2037</b> | \$1,248,915        |           | \$240,589       |            | \$76,335      | \$74,935                    | \$1,159,595                |
| <b>2038</b> | \$1,159,595        |           | \$247,807       |            | \$78,625      | \$69,576                    | \$1,059,989                |
| <b>2039</b> | \$1,059,989        |           | \$255,241       |            | \$80,983      | \$63,599                    | \$949,331                  |
| <b>2040</b> | \$949,331          |           | \$262,898       |            | \$83,413      | \$56,960                    | \$826,805                  |
| <b>2041</b> | \$826,805          |           | \$270,785       |            | \$85,915      | \$49,608                    | \$691,544                  |
| <b>2042</b> | \$691,544          |           | \$278,909       |            | \$88,493      | \$41,493                    | \$542,620                  |
| <b>2043</b> | \$542,620          |           | \$287,276       |            | \$91,147      | \$32,557                    | \$379,049                  |
| <b>2044</b> | \$379,049          |           | \$295,894       |            | \$93,882      | \$22,743                    | \$199,780                  |
| <b>2045</b> | \$199,780          |           | \$304,771       |            | \$96,698      | \$11,987                    | \$3,694                    |
| <b>2046</b> | \$3,694            |           | \$313,914       |            | \$99,599      | \$222                       | \$0                        |
| <b>2047</b> | \$0                |           | \$323,332       |            | \$102,587     | \$0                         | \$0                        |
| <b>2048</b> | \$0                |           | \$333,031       |            | \$105,665     | \$0                         | \$0                        |
| <b>2049</b> | \$0                |           | \$343,022       |            | \$108,835     | \$0                         | \$0                        |
| <b>2050</b> | \$0                |           | \$353,313       |            | \$112,100     | \$0                         | \$0                        |
| <b>2051</b> | \$0                |           | \$363,912       |            | \$115,463     | \$0                         | \$0                        |
| <b>2052</b> | \$0                |           | \$374,830       |            | \$118,927     | \$0                         | \$0                        |
| <b>2053</b> | \$0                |           | \$386,075       |            | \$122,495     | \$0                         | \$0                        |
| <b>2054</b> | \$0                |           | \$397,657       |            | \$126,169     | \$0                         | \$0                        |



## 30 Year Retirement Projections Delay Retirement 1 Year

|      | <u>Savings</u> | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|------|----------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| 2025 | \$1,732,677    |           | \$184,189       |            | \$56,683      | \$103,961                   | \$1,709,131                |
| 2026 | \$1,709,131    |           | \$189,715       |            | \$58,383      | \$102,548                   | \$1,680,347                |
| 2027 | \$1,680,347    | -\$21,600 | \$173,807       |            | \$60,135      | \$100,821                   | \$1,667,496                |
| 2028 | \$1,667,496    |           | \$179,021       |            | \$61,939      | \$100,050                   | \$1,650,464                |
| 2029 | \$1,650,464    |           | \$184,391       |            | \$63,797      | \$99,028                    | \$1,628,897                |
| 2030 | \$1,628,897    |           | \$189,923       |            | \$65,711      | \$97,734                    | \$1,602,419                |
| 2031 | \$1,602,419    |           | \$195,621       |            | \$67,682      | \$96,145                    | \$1,570,625                |
| 2032 | \$1,570,625    |           | \$201,490       |            | \$69,713      | \$94,238                    | \$1,533,086                |
| 2033 | \$1,533,086    |           | \$207,534       |            | \$71,804      | \$91,985                    | \$1,489,341                |
| 2034 | \$1,489,341    |           | \$213,760       |            | \$73,958      | \$89,360                    | \$1,438,899                |
| 2035 | \$1,438,899    |           | \$220,173       |            | \$76,177      | \$86,334                    | \$1,381,237                |
| 2036 | \$1,381,237    |           | \$226,778       |            | \$78,462      | \$82,874                    | \$1,315,795                |
| 2037 | \$1,315,795    |           | \$233,582       |            | \$80,816      | \$78,948                    | \$1,241,978                |
| 2038 | \$1,241,978    |           | \$240,589       |            | \$83,241      | \$74,519                    | \$1,159,148                |
| 2039 | \$1,159,148    |           | \$247,807       |            | \$85,738      | \$69,549                    | \$1,066,628                |
| 2040 | \$1,066,628    |           | \$255,241       |            | \$88,310      | \$63,998                    | \$963,695                  |
| 2041 | \$963,695      |           | \$262,898       |            | \$90,959      | \$57,822                    | \$849,578                  |
| 2042 | \$849,578      |           | \$270,785       |            | \$93,688      | \$50,975                    | \$723,455                  |
| 2043 | \$723,455      |           | \$278,909       |            | \$96,499      | \$43,407                    | \$584,452                  |
| 2044 | \$584,452      |           | \$287,276       |            | \$99,394      | \$35,067                    | \$431,637                  |
| 2045 | \$431,637      |           | \$295,894       |            | \$102,375     | \$25,898                    | \$264,017                  |
| 2046 | \$264,017      |           | \$304,771       |            | \$105,447     | \$15,841                    | \$80,534                   |
| 2047 | \$80,534       |           | \$313,914       |            | \$108,610     | \$4,832                     | \$0                        |
| 2048 | \$0            |           | \$323,332       |            | \$111,868     | \$0                         | \$0                        |
| 2049 | \$0            |           | \$333,031       |            | \$115,224     | \$0                         | \$0                        |
| 2050 | \$0            |           | \$343,022       |            | \$118,681     | \$0                         | \$0                        |
| 2051 | \$0            |           | \$353,313       |            | \$122,242     | \$0                         | \$0                        |
| 2052 | \$0            |           | \$363,912       |            | \$125,909     | \$0                         | \$0                        |
| 2053 | \$0            |           | \$374,830       |            | \$129,686     | \$0                         | \$0                        |
| 2054 | \$0            |           | \$386,075       |            | \$133,577     | \$0                         | \$0                        |
| 2055 | \$0            |           | \$397,657       |            | \$137,584     | \$0                         | \$0                        |



## 30 Year Retirement Projections

Increase Annual Return 1%

|      | <u>Savings</u> | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|------|----------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| 2024 | \$1,789,537    |           | \$184,189       |            | \$51,980      | \$125,268                   | \$1,782,595                |
| 2025 | \$1,782,595    |           | \$189,715       |            | \$53,540      | \$124,782                   | \$1,771,201                |
| 2026 | \$1,771,201    | -\$21,600 | \$173,807       |            | \$55,146      | \$123,984                   | \$1,776,524                |
| 2027 | \$1,776,524    |           | \$179,021       |            | \$56,800      | \$124,357                   | \$1,778,660                |
| 2028 | \$1,778,660    |           | \$184,391       |            | \$58,504      | \$124,506                   | \$1,777,279                |
| 2029 | \$1,777,279    |           | \$189,923       |            | \$60,259      | \$124,410                   | \$1,772,025                |
| 2030 | \$1,772,025    |           | \$195,621       |            | \$62,067      | \$124,042                   | \$1,762,513                |
| 2031 | \$1,762,513    |           | \$201,490       |            | \$63,929      | \$123,376                   | \$1,748,328                |
| 2032 | \$1,748,328    |           | \$207,534       |            | \$65,847      | \$122,383                   | \$1,729,024                |
| 2033 | \$1,729,024    |           | \$213,760       |            | \$67,822      | \$121,032                   | \$1,704,117                |
| 2034 | \$1,704,117    |           | \$220,173       |            | \$69,857      | \$119,288                   | \$1,673,090                |
| 2035 | \$1,673,090    |           | \$226,778       |            | \$71,953      | \$117,116                   | \$1,635,380                |
| 2036 | \$1,635,380    |           | \$233,582       |            | \$74,111      | \$114,477                   | \$1,590,387                |
| 2037 | \$1,590,387    |           | \$240,589       |            | \$76,335      | \$111,327                   | \$1,537,459                |
| 2038 | \$1,537,459    |           | \$247,807       |            | \$78,625      | \$107,622                   | \$1,475,899                |
| 2039 | \$1,475,899    |           | \$255,241       |            | \$80,983      | \$103,313                   | \$1,404,955                |
| 2040 | \$1,404,955    |           | \$262,898       |            | \$83,413      | \$98,347                    | \$1,323,816                |
| 2041 | \$1,323,816    |           | \$270,785       |            | \$85,915      | \$92,667                    | \$1,231,614                |
| 2042 | \$1,231,614    |           | \$278,909       |            | \$88,493      | \$86,213                    | \$1,127,411                |
| 2043 | \$1,127,411    |           | \$287,276       |            | \$91,147      | \$78,919                    | \$1,010,201                |
| 2044 | \$1,010,201    |           | \$295,894       |            | \$93,882      | \$70,714                    | \$878,903                  |
| 2045 | \$878,903      |           | \$304,771       |            | \$96,698      | \$61,523                    | \$732,353                  |
| 2046 | \$732,353      |           | \$313,914       |            | \$99,599      | \$51,265                    | \$569,303                  |
| 2047 | \$569,303      |           | \$323,332       |            | \$102,587     | \$39,851                    | \$388,410                  |
| 2048 | \$388,410      |           | \$333,031       |            | \$105,665     | \$27,189                    | \$188,233                  |
| 2049 | \$188,233      |           | \$343,022       |            | \$108,835     | \$13,176                    | \$0                        |
| 2050 | \$0            |           | \$353,313       |            | \$112,100     | \$0                         | \$0                        |
| 2051 | \$0            |           | \$363,912       |            | \$115,463     | \$0                         | \$0                        |
| 2052 | \$0            |           | \$374,830       |            | \$118,927     | \$0                         | \$0                        |
| 2053 | \$0            |           | \$386,075       |            | \$122,495     | \$0                         | \$0                        |
| 2054 | \$0            |           | \$397,657       |            | \$126,169     | \$0                         | \$0                        |



## 30 Year Retirement Projections Delay 1 Year & Replace House

|      | <u>Savings</u> | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|------|----------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| 2025 | \$1,932,677    |           | \$184,189       |            | \$56,683      | \$115,961                   | \$1,921,131                |
| 2026 | \$1,921,131    |           | \$189,715       |            | \$58,383      | \$115,268                   | \$1,905,067                |
| 2027 | \$1,905,067    | -\$21,600 | \$173,807       |            | \$60,135      | \$114,304                   | \$1,905,699                |
| 2028 | \$1,905,699    |           | \$179,021       |            | \$61,939      | \$114,342                   | \$1,902,959                |
| 2029 | \$1,902,959    |           | \$184,391       |            | \$63,797      | \$114,178                   | \$1,896,542                |
| 2030 | \$1,896,542    |           | \$189,923       |            | \$65,711      | \$113,793                   | \$1,886,123                |
| 2031 | \$1,886,123    |           | \$195,621       |            | \$67,682      | \$113,167                   | \$1,871,351                |
| 2032 | \$1,871,351    |           | \$201,490       |            | \$69,713      | \$112,281                   | \$1,851,856                |
| 2033 | \$1,851,856    |           | \$207,534       |            | \$71,804      | \$111,111                   | \$1,827,237                |
| 2034 | \$1,827,237    |           | \$213,760       |            | \$73,958      | \$109,634                   | \$1,797,069                |
| 2035 | \$1,797,069    |           | \$220,173       |            | \$76,177      | \$107,824                   | \$1,760,897                |
| 2036 | \$1,760,897    |           | \$226,778       |            | \$78,462      | \$105,654                   | \$1,718,235                |
| 2037 | \$1,718,235    |           | \$233,582       |            | \$80,816      | \$103,094                   | \$1,668,563                |
| 2038 | \$1,668,563    |           | \$240,589       |            | \$83,241      | \$100,114                   | \$1,611,329                |
| 2039 | \$1,611,329    |           | \$247,807       |            | \$85,738      | \$96,680                    | \$1,545,940                |
| 2040 | \$1,545,940    |           | \$255,241       |            | \$88,310      | \$92,756                    | \$1,471,765                |
| 2041 | \$1,471,765    |           | \$262,898       |            | \$90,959      | \$88,306                    | \$1,388,132                |
| 2042 | \$1,388,132    |           | \$270,785       |            | \$93,688      | \$83,288                    | \$1,294,323                |
| 2043 | \$1,294,323    |           | \$278,909       |            | \$96,499      | \$77,659                    | \$1,189,572                |
| 2044 | \$1,189,572    |           | \$287,276       |            | \$99,394      | \$71,374                    | \$1,073,064                |
| 2045 | \$1,073,064    |           | \$295,894       |            | \$102,375     | \$64,384                    | \$943,930                  |
| 2046 | \$943,930      |           | \$304,771       |            | \$105,447     | \$56,636                    | \$801,241                  |
| 2047 | \$801,241      |           | \$313,914       |            | \$108,610     | \$48,074                    | \$644,012                  |
| 2048 | \$644,012      |           | \$323,332       |            | \$111,868     | \$38,641                    | \$471,189                  |
| 2049 | \$471,189      |           | \$333,031       |            | \$115,224     | \$28,271                    | \$281,653                  |
| 2050 | \$281,653      |           | \$343,022       |            | \$118,681     | \$16,899                    | \$74,211                   |
| 2051 | \$74,211       |           | \$353,313       |            | \$122,242     | \$4,453                     | \$0                        |
| 2052 | \$0            |           | \$363,912       |            | \$125,909     | \$0                         | \$0                        |
| 2053 | \$0            |           | \$374,830       |            | \$129,686     | \$0                         | \$0                        |
| 2054 | \$0            |           | \$386,075       |            | \$133,577     | \$0                         | \$0                        |
| 2055 | \$0            |           | \$397,657       |            | \$137,584     | \$0                         | \$0                        |



## 30 Year Retirement Projections Replace House & 1% Return

|             | <u>Savings</u>     | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|-------------|--------------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| <b>2024</b> | <b>\$1,989,537</b> |           | \$184,189       |            | \$51,980      | \$139,268                   | \$1,996,595                |
| <b>2025</b> | \$1,996,595        |           | \$189,715       |            | \$53,540      | \$139,762                   | \$2,000,181                |
| <b>2026</b> | \$2,000,181        | -\$21,600 | \$173,807       |            | \$55,146      | \$140,013                   | \$2,021,533                |
| <b>2027</b> | \$2,021,533        |           | \$179,021       |            | \$56,800      | \$141,507                   | \$2,040,820                |
| <b>2028</b> | \$2,040,820        |           | \$184,391       |            | \$58,504      | \$142,857                   | \$2,057,790                |
| <b>2029</b> | \$2,057,790        |           | \$189,923       |            | \$60,259      | \$144,045                   | \$2,072,171                |
| <b>2030</b> | \$2,072,171        |           | \$195,621       |            | \$62,067      | \$145,052                   | \$2,083,669                |
| <b>2031</b> | \$2,083,669        |           | \$201,490       |            | \$63,929      | \$145,857                   | \$2,091,965                |
| <b>2032</b> | \$2,091,965        |           | \$207,534       |            | \$65,847      | \$146,438                   | \$2,096,716                |
| <b>2033</b> | \$2,096,716        |           | \$213,760       |            | \$67,822      | \$146,770                   | \$2,097,548                |
| <b>2034</b> | \$2,097,548        |           | \$220,173       |            | \$69,857      | \$146,828                   | \$2,094,060                |
| <b>2035</b> | \$2,094,060        |           | \$226,778       |            | \$71,953      | \$146,584                   | \$2,085,819                |
| <b>2036</b> | \$2,085,819        |           | \$233,582       |            | \$74,111      | \$146,007                   | \$2,072,356                |
| <b>2037</b> | \$2,072,356        |           | \$240,589       |            | \$76,335      | \$145,065                   | \$2,053,166                |
| <b>2038</b> | \$2,053,166        |           | \$247,807       |            | \$78,625      | \$143,722                   | \$2,027,706                |
| <b>2039</b> | \$2,027,706        |           | \$255,241       |            | \$80,983      | \$141,939                   | \$1,995,388                |
| <b>2040</b> | \$1,995,388        |           | \$262,898       |            | \$83,413      | \$139,677                   | \$1,955,579                |
| <b>2041</b> | \$1,955,579        |           | \$270,785       |            | \$85,915      | \$136,891                   | \$1,907,600                |
| <b>2042</b> | \$1,907,600        |           | \$278,909       |            | \$88,493      | \$133,532                   | \$1,850,716                |
| <b>2043</b> | \$1,850,716        |           | \$287,276       |            | \$91,147      | \$129,550                   | \$1,784,138                |
| <b>2044</b> | \$1,784,138        |           | \$295,894       |            | \$93,882      | \$124,890                   | \$1,707,015                |
| <b>2045</b> | \$1,707,015        |           | \$304,771       |            | \$96,698      | \$119,491                   | \$1,618,434                |
| <b>2046</b> | \$1,618,434        |           | \$313,914       |            | \$99,599      | \$113,290                   | \$1,517,409                |
| <b>2047</b> | \$1,517,409        |           | \$323,332       |            | \$102,587     | \$106,219                   | \$1,402,884                |
| <b>2048</b> | \$1,402,884        |           | \$333,031       |            | \$105,665     | \$98,202                    | \$1,273,719                |
| <b>2049</b> | \$1,273,719        |           | \$343,022       |            | \$108,835     | \$89,160                    | \$1,128,692                |
| <b>2050</b> | \$1,128,692        |           | \$353,313       |            | \$112,100     | \$79,008                    | \$966,487                  |
| <b>2051</b> | \$966,487          |           | \$363,912       |            | \$115,463     | \$67,654                    | \$785,692                  |
| <b>2052</b> | \$785,692          |           | \$374,830       |            | \$118,927     | \$54,998                    | \$584,787                  |
| <b>2053</b> | \$584,787          |           | \$386,075       |            | \$122,495     | \$40,935                    | \$362,142                  |
| <b>2054</b> | \$362,142          |           | \$397,657       |            | \$126,169     | \$25,350                    | \$116,004                  |
| <b>2055</b> | \$116,004          |           | \$409,587       |            | \$129,954     | \$8,120                     | \$0                        |



## 30 Year Retirement Projections Delay 1 Year & 1% Return

|             | <u>Savings</u>     | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|-------------|--------------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| <b>2025</b> | <b>\$1,968,624</b> |           | \$184,189       |            | \$56,683      | \$137,804                   | \$1,978,921                |
| <b>2026</b> | \$1,978,921        |           | \$189,715       |            | \$58,383      | \$138,524                   | \$1,986,113                |
| <b>2027</b> | \$1,986,113        | -\$21,600 | \$173,807       |            | \$60,135      | \$139,028                   | \$2,011,469                |
| <b>2028</b> | \$2,011,469        |           | \$179,021       |            | \$61,939      | \$140,803                   | \$2,035,190                |
| <b>2029</b> | \$2,035,190        |           | \$184,391       |            | \$63,797      | \$142,463                   | \$2,057,059                |
| <b>2030</b> | \$2,057,059        |           | \$189,923       |            | \$65,711      | \$143,994                   | \$2,076,841                |
| <b>2031</b> | \$2,076,841        |           | \$195,621       |            | \$67,682      | \$145,379                   | \$2,094,281                |
| <b>2032</b> | \$2,094,281        |           | \$201,490       |            | \$69,713      | \$146,600                   | \$2,109,104                |
| <b>2033</b> | \$2,109,104        |           | \$207,534       |            | \$71,804      | \$147,637                   | \$2,121,011                |
| <b>2034</b> | \$2,121,011        |           | \$213,760       |            | \$73,958      | \$148,471                   | \$2,129,680                |
| <b>2035</b> | \$2,129,680        |           | \$220,173       |            | \$76,177      | \$149,078                   | \$2,134,761                |
| <b>2036</b> | \$2,134,761        |           | \$226,778       |            | \$78,462      | \$149,433                   | \$2,135,879                |
| <b>2037</b> | \$2,135,879        |           | \$233,582       |            | \$80,816      | \$149,511                   | \$2,132,625                |
| <b>2038</b> | \$2,132,625        |           | \$240,589       |            | \$83,241      | \$149,284                   | \$2,124,560                |
| <b>2039</b> | \$2,124,560        |           | \$247,807       |            | \$85,738      | \$148,719                   | \$2,111,210                |
| <b>2040</b> | \$2,111,210        |           | \$255,241       |            | \$88,310      | \$147,785                   | \$2,092,064                |
| <b>2041</b> | \$2,092,064        |           | \$262,898       |            | \$90,959      | \$146,444                   | \$2,066,570                |
| <b>2042</b> | \$2,066,570        |           | \$270,785       |            | \$93,688      | \$144,660                   | \$2,034,132                |
| <b>2043</b> | \$2,034,132        |           | \$278,909       |            | \$96,499      | \$142,389                   | \$1,994,112                |
| <b>2044</b> | \$1,994,112        |           | \$287,276       |            | \$99,394      | \$139,588                   | \$1,945,817                |
| <b>2045</b> | \$1,945,817        |           | \$295,894       |            | \$102,375     | \$136,207                   | \$1,888,506                |
| <b>2046</b> | \$1,888,506        |           | \$304,771       |            | \$105,447     | \$132,195                   | \$1,821,377                |
| <b>2047</b> | \$1,821,377        |           | \$313,914       |            | \$108,610     | \$127,496                   | \$1,743,569                |
| <b>2048</b> | \$1,743,569        |           | \$323,332       |            | \$111,868     | \$122,050                   | \$1,654,156                |
| <b>2049</b> | \$1,654,156        |           | \$333,031       |            | \$115,224     | \$115,791                   | \$1,552,140                |
| <b>2050</b> | \$1,552,140        |           | \$343,022       |            | \$118,681     | \$108,650                   | \$1,436,449                |
| <b>2051</b> | \$1,436,449        |           | \$353,313       |            | \$122,242     | \$100,551                   | \$1,305,928                |
| <b>2052</b> | \$1,305,928        |           | \$363,912       |            | \$125,909     | \$91,415                    | \$1,159,340                |
| <b>2053</b> | \$1,159,340        |           | \$374,830       |            | \$129,686     | \$81,154                    | \$995,350                  |
| <b>2054</b> | \$995,350          |           | \$386,075       |            | \$133,577     | \$69,674                    | \$812,526                  |
| <b>2055</b> | \$812,526          |           | \$397,657       |            | \$137,584     | \$56,877                    | \$609,330                  |



## 30 Year Retirement Projections

### Replace House, Delay 1 & 1% Ret.

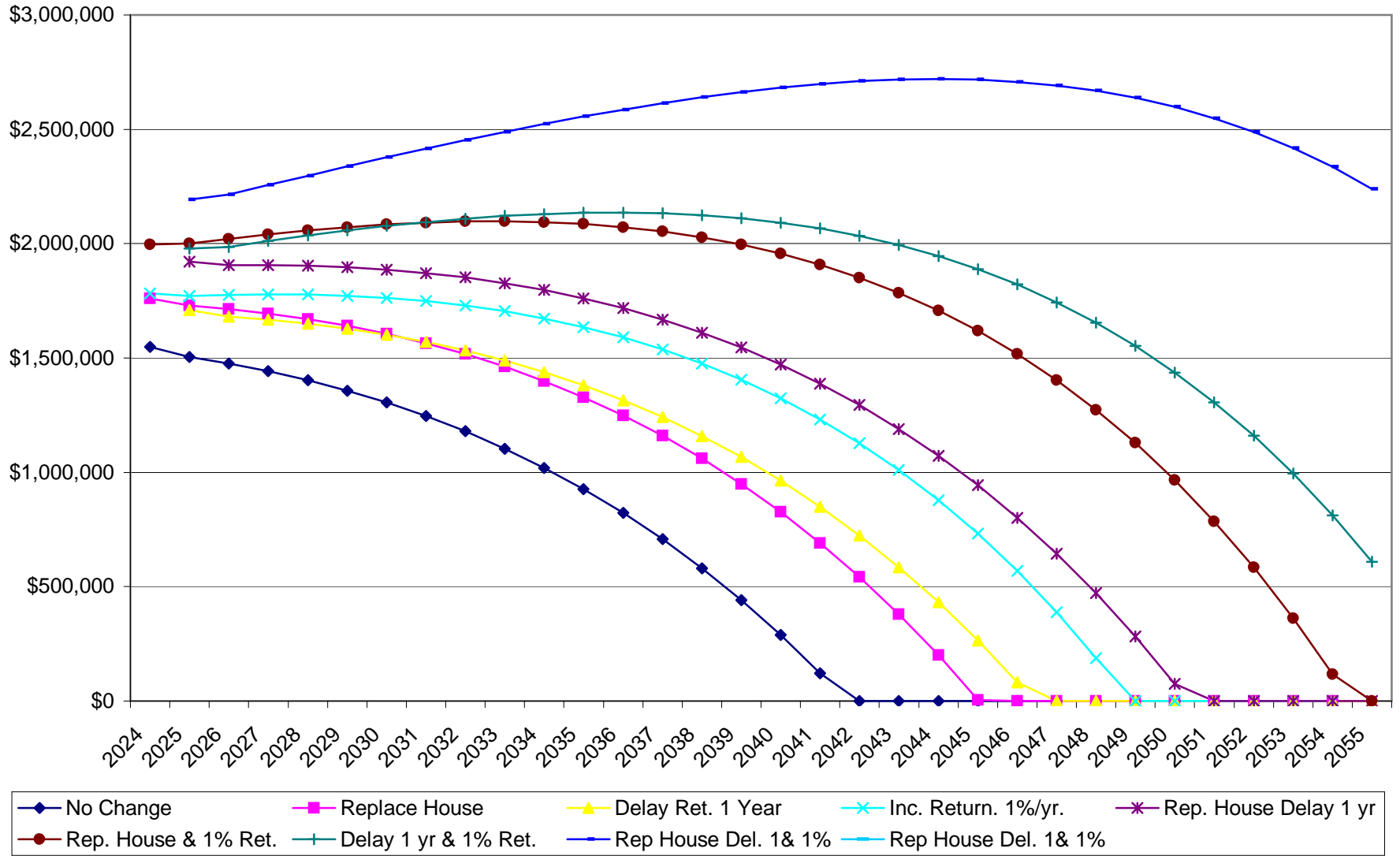
|      | <u>Savings</u> | Spend +/- | <u>Spending</u> | Income +/- | <u>Income</u> | Investment<br><u>Growth</u> | Year End<br><u>Savings</u> |
|------|----------------|-----------|-----------------|------------|---------------|-----------------------------|----------------------------|
| 2025 | \$2,168,624    |           | \$184,189       |            | \$56,683      | \$151,804                   | \$2,192,921                |
| 2026 | \$2,192,921    |           | \$189,715       |            | \$58,383      | \$153,504                   | \$2,215,093                |
| 2027 | \$2,215,093    | -\$21,600 | \$173,807       |            | \$60,135      | \$155,057                   | \$2,256,478                |
| 2028 | \$2,256,478    |           | \$179,021       |            | \$61,939      | \$157,953                   | \$2,297,349                |
| 2029 | \$2,297,349    |           | \$184,391       |            | \$63,797      | \$160,814                   | \$2,337,569                |
| 2030 | \$2,337,569    |           | \$189,923       |            | \$65,711      | \$163,630                   | \$2,376,987                |
| 2031 | \$2,376,987    |           | \$195,621       |            | \$67,682      | \$166,389                   | \$2,415,437                |
| 2032 | \$2,415,437    |           | \$201,490       |            | \$69,713      | \$169,081                   | \$2,452,741                |
| 2033 | \$2,452,741    |           | \$207,534       |            | \$71,804      | \$171,692                   | \$2,488,703                |
| 2034 | \$2,488,703    |           | \$213,760       |            | \$73,958      | \$174,209                   | \$2,523,110                |
| 2035 | \$2,523,110    |           | \$220,173       |            | \$76,177      | \$176,618                   | \$2,555,732                |
| 2036 | \$2,555,732    |           | \$226,778       |            | \$78,462      | \$178,901                   | \$2,586,317                |
| 2037 | \$2,586,317    |           | \$233,582       |            | \$80,816      | \$181,042                   | \$2,614,594                |
| 2038 | \$2,614,594    |           | \$240,589       |            | \$83,241      | \$183,022                   | \$2,640,267                |
| 2039 | \$2,640,267    |           | \$247,807       |            | \$85,738      | \$184,819                   | \$2,663,017                |
| 2040 | \$2,663,017    |           | \$255,241       |            | \$88,310      | \$186,411                   | \$2,682,497                |
| 2041 | \$2,682,497    |           | \$262,898       |            | \$90,959      | \$187,775                   | \$2,698,333                |
| 2042 | \$2,698,333    |           | \$270,785       |            | \$93,688      | \$188,883                   | \$2,710,119                |
| 2043 | \$2,710,119    |           | \$278,909       |            | \$96,499      | \$189,708                   | \$2,717,417                |
| 2044 | \$2,717,417    |           | \$287,276       |            | \$99,394      | \$190,219                   | \$2,719,754                |
| 2045 | \$2,719,754    |           | \$295,894       |            | \$102,375     | \$190,383                   | \$2,716,618                |
| 2046 | \$2,716,618    |           | \$304,771       |            | \$105,447     | \$190,163                   | \$2,707,457                |
| 2047 | \$2,707,457    |           | \$313,914       |            | \$108,610     | \$189,522                   | \$2,691,675                |
| 2048 | \$2,691,675    |           | \$323,332       |            | \$111,868     | \$188,417                   | \$2,668,629                |
| 2049 | \$2,668,629    |           | \$333,031       |            | \$115,224     | \$186,804                   | \$2,637,626                |
| 2050 | \$2,637,626    |           | \$343,022       |            | \$118,681     | \$184,634                   | \$2,597,919                |
| 2051 | \$2,597,919    |           | \$353,313       |            | \$122,242     | \$181,854                   | \$2,548,702                |
| 2052 | \$2,548,702    |           | \$363,912       |            | \$125,909     | \$178,409                   | \$2,489,107                |
| 2053 | \$2,489,107    |           | \$374,830       |            | \$129,686     | \$174,238                   | \$2,418,201                |
| 2054 | \$2,418,201    |           | \$386,075       |            | \$133,577     | \$169,274                   | \$2,334,977                |
| 2055 | \$2,334,977    |           | \$397,657       |            | \$137,584     | \$163,448                   | \$2,238,353                |



## Strategies to Increase Retirement Savings

|      | <u>No</u><br><u>Change</u> | <u>Replace</u><br><u>House</u> | <u>Delay Ret.</u><br><u>1 Year</u> | <u>Inc. Return.</u><br><u>1%/yr.</u> | <u>Rep. House</u><br><u>Delay 1 yr</u> | <u>Rep. House</u><br><u>&amp; 1% Ret.</u> | <u>Delay 1 yr</u><br><u>&amp; 1% Ret.</u> | <u>Rep House</u><br><u>Del. 1&amp; 1%</u> |
|------|----------------------------|--------------------------------|------------------------------------|--------------------------------------|--|---|---|---|
| 2024 | \$1,547,634                | \$1,759,634                    |                                    | \$1,782,595                          |  | \$1,996,595                               |   |   |
| 2025 | \$1,504,316                | \$1,729,036                    | \$1,709,131                        | \$1,771,201                          | \$1,921,131                            | \$2,000,181                               | \$1,978,921                               | \$2,192,921                               |
| 2026 | \$1,475,914                | \$1,714,118                    | \$1,680,347                        | \$1,776,524                          | \$1,905,067                            | \$2,021,533                               | \$1,986,113                               | \$2,215,093                               |
| 2027 | \$1,442,249                | \$1,694,744                    | \$1,667,496                        | \$1,778,660                          | \$1,905,699                            | \$2,040,820                               | \$2,011,469                               | \$2,256,478                               |
| 2028 | \$1,402,896                | \$1,670,541                    | \$1,650,464                        | \$1,777,279                          | \$1,902,959                            | \$2,057,790                               | \$2,035,190                               | \$2,297,349                               |
| 2029 | \$1,357,406                | \$1,641,110                    | \$1,628,897                        | \$1,772,025                          | \$1,896,542                            | \$2,072,171                               | \$2,057,059                               | \$2,337,569                               |
| 2030 | \$1,305,296                | \$1,606,022                    | \$1,602,419                        | \$1,762,513                          | \$1,886,123                            | \$2,083,669                               | \$2,076,841                               | \$2,376,987                               |
| 2031 | \$1,246,054                | \$1,564,823                    | \$1,570,625                        | \$1,748,328                          | \$1,871,351                            | \$2,091,965                               | \$2,094,281                               | \$2,415,437                               |
| 2032 | \$1,179,130                | \$1,517,025                    | \$1,533,086                        | \$1,729,024                          | \$1,851,856                            | \$2,096,716                               | \$2,109,104                               | \$2,452,741                               |
| 2033 | \$1,103,939                | \$1,462,109                    | \$1,489,341                        | \$1,704,117                          | \$1,827,237                            | \$2,097,548                               | \$2,121,011                               | \$2,488,703                               |
| 2034 | \$1,019,860                | \$1,399,519                    | \$1,438,899                        | \$1,673,090                          | \$1,797,069                            | \$2,094,060                               | \$2,129,680                               | \$2,523,110                               |
| 2035 | \$926,226                  | \$1,328,665                    | \$1,381,237                        | \$1,635,380                          | \$1,760,897                            | \$2,085,819                               | \$2,134,761                               | \$2,555,732                               |
| 2036 | \$822,329                  | \$1,248,915                    | \$1,315,795                        | \$1,590,387                          | \$1,718,235                            | \$2,072,356                               | \$2,135,879                               | \$2,586,317                               |
| 2037 | \$707,414                  | \$1,159,595                    | \$1,241,978                        | \$1,537,459                          | \$1,668,563                            | \$2,053,166                               | \$2,132,625                               | \$2,614,594                               |
| 2038 | \$580,677                  | \$1,059,989                    | \$1,159,148                        | \$1,475,899                          | \$1,611,329                            | \$2,027,706                               | \$2,124,560                               | \$2,640,267                               |
| 2039 | \$441,260                  | \$949,331                      | \$1,066,628                        | \$1,404,955                          | \$1,545,940                            | \$1,995,388                               | \$2,111,210                               | \$2,663,017                               |
| 2040 | \$288,251                  | \$826,805                      | \$963,695                          | \$1,323,816                          | \$1,471,765                            | \$1,955,579                               | \$2,092,064                               | \$2,682,497                               |
| 2041 | \$120,676                  | \$691,544                      | \$849,578                          | \$1,231,614                          | \$1,388,132                            | \$1,907,600                               | \$2,066,570                               | \$2,698,333                               |
| 2042 | \$0                        | \$542,620                      | \$723,455                          | \$1,127,411                          | \$1,294,323                            | \$1,850,716                               | \$2,034,132                               | \$2,710,119                               |
| 2043 | \$0                        | \$379,049                      | \$584,452                          | \$1,010,201                          | \$1,189,572                            | \$1,784,138                               | \$1,994,112                               | \$2,717,417                               |
| 2044 | \$0                        | \$199,780                      | \$431,637                          | \$878,903                            | \$1,073,064                            | \$1,707,015                               | \$1,945,817                               | \$2,719,754                               |
| 2045 | \$0                        | \$3,694                        | \$264,017                          | \$732,353                            | \$943,930                              | \$1,618,434                               | \$1,888,506                               | \$2,716,618                               |
| 2046 | \$0                        | \$0                            | \$80,534                           | \$569,303                            | \$801,241                              | \$1,517,409                               | \$1,821,377                               | \$2,707,457                               |
| 2047 | \$0                        | \$0                            | \$0                                | \$388,410                            | \$644,012                              | \$1,402,884                               | \$1,743,569                               | \$2,691,675                               |
| 2048 | \$0                        | \$0                            | \$0                                | \$188,233                            | \$471,189                              | \$1,273,719                               | \$1,654,156                               | \$2,668,629                               |
| 2049 | \$0                        | \$0                            | \$0                                | \$0                                  | \$281,653                              | \$1,128,692                               | \$1,552,140                               | \$2,637,626                               |
| 2050 | \$0                        | \$0                            | \$0                                | \$0                                  | \$74,211                               | \$966,487                                 | \$1,436,449                               | \$2,597,919                               |
| 2051 | \$0                        | \$0                            | \$0                                | \$0                                  | \$0                                    | \$785,692                                 | \$1,305,928                               | \$2,548,702                               |
| 2052 | \$0                        | \$0                            | \$0                                | \$0                                  | \$0                                    | \$584,787                                 | \$1,159,340                               | \$2,489,107                               |
| 2053 | \$0                        | \$0                            | \$0                                | \$0                                  | \$0                                    | \$362,142                                 | \$995,350                                 | \$2,418,201                               |
| 2054 | \$0                        | \$0                            | \$0                                | \$0                                  | \$0                                    | \$116,004                                 | \$812,526                                 | \$2,334,977                               |
| 2055 |                            |                                | \$0                                |                                      | \$0                                    | \$0                                       | \$609,330                                 | \$2,238,353                               |

### Retirement Strategies Summary





#### **IV. Social Security Benefits**

Based on the information provided, the only non investment income that you will have in your retirement years is Social Security. It is important that you maximize these benefits to meet your retirement goals. In order to balance the increased dollar benefits of delaying Social Security with the lack of immediate income the delay produces, I have considered various scenarios to optimize how Social Security can be used to increase your retirement income.

After reviewing multiple scenarios, it appears that the optimal time to begin taking your Social Security benefits for both John and Mary is when John retires. While his benefit will be slightly reduced from the Full Retirement Age (FRA) amount, and Mary will be reduced by 25%, having this cash flow when all other income ceases will be very important.

If John predeceases Mary, Mary can claim John's Social Security benefit instead of her own. This will allow Mary to increase her Social Security income by 50%.

#### **V. Maximizing Investment Return**

You have investments in your taxable brokerage and savings accounts, as well as in your tax-deferred retirement accounts. To minimize your taxes and maximize after-tax income, it is important to determine what types of investments should be held in each type of account. This analysis will help you meet this plan's assumption of a 7% after tax return.

Tax-inefficient investments should be held in your tax-deferred retirement account. These investments generate income that is taxed at ordinary income tax rates. Investments that generate taxable interest, "nonqualified" dividends and short-term capital gains are all tax-inefficient.

Real Estate Investment Trusts (REITs) or REIT mutual funds pay *nonqualified dividends*. Also, actively managed mutual funds with high turnover rates will generate short-term capital gains. Fixed income securities pay taxable interest income. All of these investments are considered "tax-inefficient."

Your more tax-efficient investments should be held in taxable accounts. An obvious example of a tax-efficient investment is municipal bonds. Stock index funds, including most Exchange Traded Funds (ETFs), are considered tax-efficient.

After you have completed the asset allocation of your liquid assets, look at where you are holding your assets. Put as many of your tax-inefficient assets as possible into your tax deferred accounts to minimize your current taxes and maximize your tax deferred returns.



## **VI. Withdrawal Strategies**

While it is several years before you must worry about withdrawing funds from your investment accounts, it is important to have a plan for withdrawing funds during retirement. A well-planned withdrawal strategy can have a significant impact on your cash flow, capital preservation, taxes and any estate that is passed to your heirs.

Since funds in a tax-deferred account will continue to grow tax free, common financial “wisdom” is to withdraw funds first from your taxable accounts. The following are reasons to use taxable funds instead of tax-deferred accounts:

1. Taxable funds can be managed to lessen their tax impact. You can offset a capital gain by selling an asset with a capital loss.
2. You are only taxed on the gains, not the entire value of the asset sold.
3. You pay a maximum federal tax of 15 percent on long-term capital assets that are held for over one year.
4. Selling a taxable asset will only increase your adjusted gross income (AGI) by the capital gain on your investment, not the full amount you receive.
5. Non-Roth IRA retirement account withdrawals increase your AGI by the full amount of the withdrawal, potentially raising your marginal tax rate.
6. With a higher AGI, your probability of paying taxes on 85 percent of your Social Security benefits increases.

When the time comes, I recommend that you use your taxable accounts for all withdrawals until John reaches age 70 ½. At that age, John will be required to begin taking mandatory payments from his tax deferred account. Take only the minimum distribution from this account, as it will be fully taxable. Use the taxable accounts to fund the remaining requirements. This approach should help minimize the taxes that you pay during your retirement years.



## **VII. Summary**

Your finances can allow for an abundant retirement. However, it is important to begin action now to maximize your retirement resources.

Financial Abundance, LLC is a full service financial planning firm, focusing on retirement preparation. This proprietary retirement plan helps our clients determine their preparedness for retirement and identifies strategies to help you achieve your retirement goals. However, many clients want more support in their financial lives.

We can provide investment management services using a diversified portfolio of low cost Exchange Traded Funds (ETFs).

We can also provide a complete financial plan in which all aspects of your financial preparedness are explored. Our planning includes examining your investment strategies, your approaches to minimizing taxes and maximizing income, your risk management/ insurance approaches and your ability to increase your savings by lowering taxes.

If any further financial services are required, I will be happy to discuss our approach and the costs associated with these services.