F I N A N C I A L I N D E P E N D E N C E

Matthew Retires at age 62

Matthew & Tammy McCarthy

Current Condition

To achieve financial independence for your retirement in 2032 you must maintain a solid financial position. This is achieved if your projection shows that you have a positive liquid net worth at the end of the planning horizon. Non-liquidate assets such as your home, business interest, or life insurance policies are considered unavailable to fund any ongoing cash shortfalls. In addition company retirement plans are not self directed and thus not considered liquid. You will need to rollover these assets to an IRA to be considered available on an as needed basis.

At the end of 2060, you will be in a sound financial position. You will not have a deficit, and your assets available for liquidation will be worth $23,334,607, which will be available as an emergency reserve. Assets that are considered available for liquidation are liquid assets such as cash accounts, bonds, stocks, mutual funds and IRAs.

This analysis of your capital needs is based on the following assumptions:

Matthew will retire in 2032 at the age of 62. Matthew will continue to live for another 28 years, until reaching an age of 90 in 2060.

Inflation will average 3% over the course of the plan. This rate of inflation is a user defined rate used for all federal and state tax related calculations including indexing of tax tables, personal exemptions, standard deduction, retirement plan contribution limitations, gifting limitations, and any other tax related phase in or phase out that is indexed to inflation.

projected investments will appreciate at an average rate of 5.9%. This does not reflect the cumulative average rate of return for investment assets. It reflects the average growth in value for liquid investment capital over the planning horizon, including unrealized appreciation, reinvested interest and dividends, and ongoing contributions.