



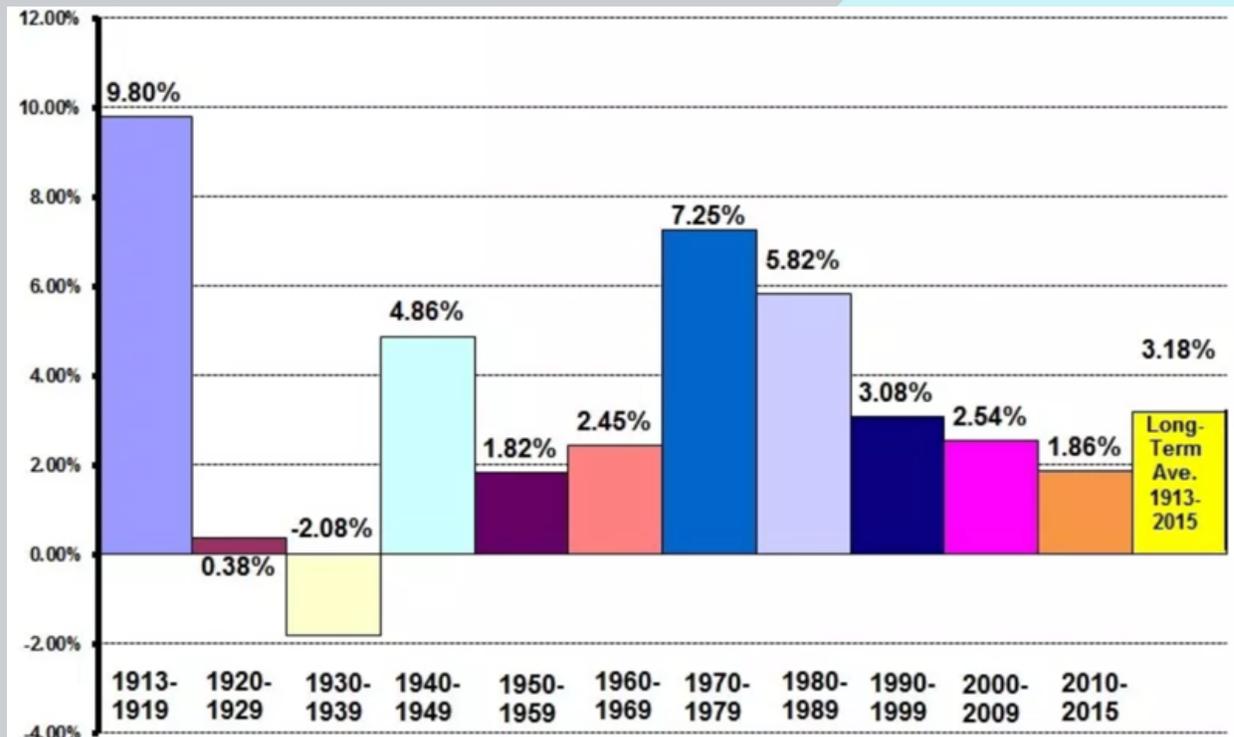
The Silent Killer . . .

INFLATION

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What comes up, must come down...yes? How about what comes down must come up? Inflation is one of those numbers that are often randomly projected into the financial plans that most people do on the internet. Far too often, the calculated number investors put in their plan is 3%. The average inflation rate over the past 100 years has been 3.22%. This means almost every 20 years, the cost of living will double. When investors create an overall retirement plan for a client, they come up with random numbers such as \$1,000,000 or \$2,000,000. Did you ever stop and think that whatever number you end up with the day you retire will actually be worth only half in real dollars 20 years into your retirement?

*There is another lurking issue for those retiring soon...
Inflation has been EXTREMELY LOW and is likely to be higher than 3.18% in your retirement.*



You can see from the chart above that in the last four decades inflation has been under 3.182%, but has been historically low and climbing every year. In the 70's and 80's inflation averaged more than six percent. After the great depression era, it crept back up to almost 5%. With the historically low interest rates and inflation rates we have seen the last 15 years, can you depend on a 3.18% for your retirement calculations?