



L I F E T I M E P L A N N I N G

Retirement Needs: How Much is Enough

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Beware of Little Expenses

“Beware of little expenses. A small leak will sink a great ship.” —

Benjamin Franklin

Annual Expenses per Household

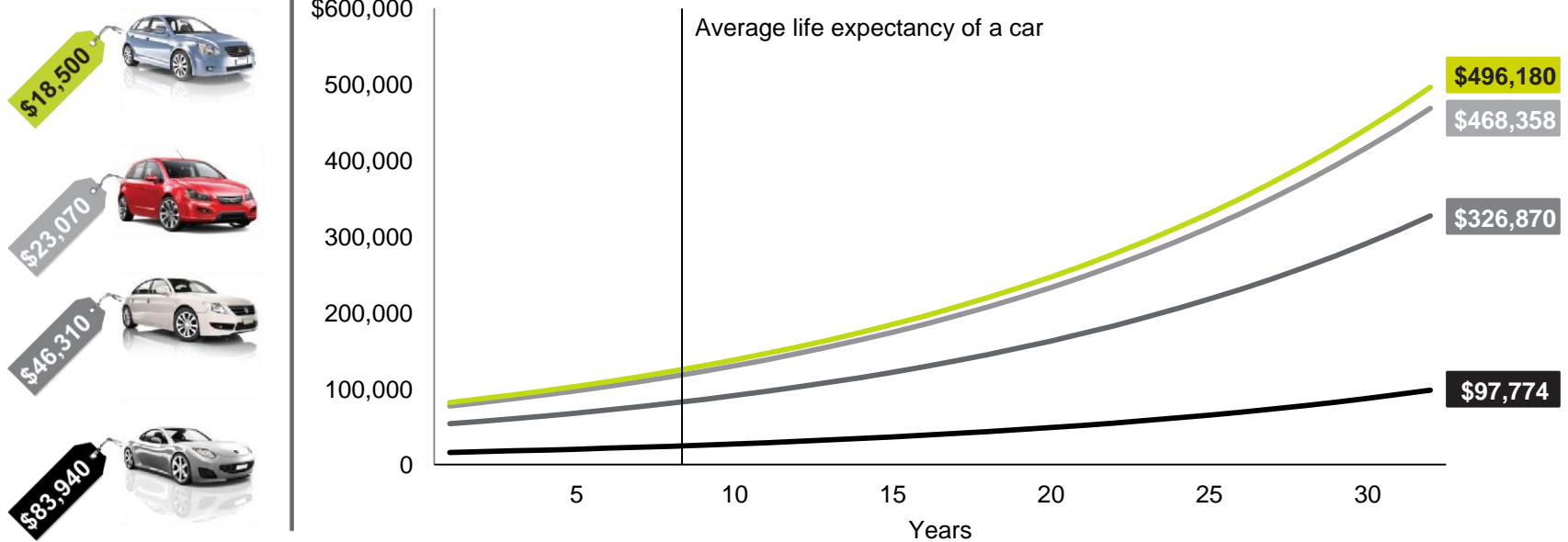


Sources: Bureau of Labor Statistics and *USA Today*, 12/31/16.

The Bigger the Purchase, the Bigger the Opportunity Cost

“Intelligent people make decisions based on opportunity cost.” —Charlie Munger

How to Spend \$100,000...Buy a Car and Invest the Rest



Source: Kelly Blue Book, 12/31/16. For illustrative purposes only. Assumes a 6% per year market return. 6% market return is based on a hypothetical mathematical example, not the performance of any market.

The Difference Between Rich and Wealthy

“I’m not talking about rich. I’m talking about wealthy...Wealth is empowering...Wealth can uplift communities...Wealth is passed down from generation to generation...Rich you can lose with a crazy summer...” —Chris Rock

Rich: It’s all about income

Wealthy: It’s all about what you do with your income



Allen Iverson
\$200M

Lifetime Earnings


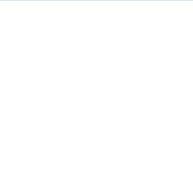



Nicholas Cage
\$150M

Lifetime Earnings



The millionaire couple next door

	Age (average):	57 years old
	Relationship status:	Married
	Children:	3
	Professions:	Self employed (66%)
	Average annual taxable income:	\$247,000
	Average household net worth:	\$3.7 million
	Average home value:	\$320,000

Curt Schilling
\$115M
Lifetime Earnings

Mark Brunell
\$50M
Lifetime Earnings

Education:

College degree and beyond

Likes

Living below our means: We wear inexpensive clothes and drive older cars.

Budgeting: We are very conservative with our money.

Education: We spend heavily for the educations of our offspring.

Investing: We invest nearly 20% of our household realized income each year.

Dislikes

Profligate spending: We believe that charity begins at home.

No margin for error: We have accumulated enough wealth to live without working for 10+ years.

Laziness and excuses: We are first generation affluent. 80% of us worked our way up.

Source: Forbes, 12/31/16. For illustrative purposes only.

Measuring Wealth in Time

“Wealth is not about having a lot of money. It’s about having a lot of options.” —Chris Rock



$$\$20,000 \div \$5,000 =$$

4

Month
Financial Cushion

$$\$50,000 \div \$5,000 =$$

10

Month
Financial Cushion

$$\$100,000 \div \$5,000 =$$

20

Month
Financial Cushion

$$\$1,000,000 \div \$5,000 =$$

200

Month
Financial Cushion

$$\$10,000,000 \div \$5,000 =$$

2,000

Month
Financial Cushion



Wealth is measured in time, not

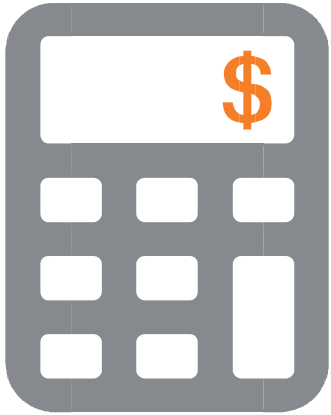
dollars

=

Retirement Needs: How Much Is Enough?

“Retirement is like a long vacation in Las Vegas. The goal is to enjoy it the fullest, but not so fully that you run out of money.” —Jonathan Clements

Preretirement Income	80%	Years in Retirement	Your Total
\$50,000	\$40,000	20 years	\$800,000
\$75,000	\$60,000	20 years	\$1,200,000



\$25,000

\$20,000

x 20 years

\$400,000

\$100,000

\$80,000

x 20 years

\$1,600,000

Slide is for illustrative purposes only.

Index Definitions

The 10-Year U.S. Treasury Yield is generally considered to be a barometer for long-term interest rates.

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs).

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S. Government and corporate bonds that includes reinvestment of dividends.

The Bloomberg Barclays Aggregate Corporate Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Barclays U.S. Aggregate Bond Index. The Bloomberg Barclays Aggregate U.S. Treasuries Index represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

The Bloomberg Barclays High Yield Bond Index covers the universe of fixed rate, non-investment-grade debt. The JPMorgan GBI-EM Global Diversified Index tracks total returns for local-currency-denominated money market instruments in the emerging markets.

The Bloomberg Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market and includes bonds rated investment-grade by at least two of the three major rating agencies (Moody's, S&P and Fitch). SBBI U.S. Large Company Stock Index is an unmanaged index of stocks of large U.S. companies.

SBBI U.S. Long-Term Government Bond Index is an unmanaged index generally representative of the bond market. SBBI U.S. Small Company Stock Index is an unmanaged index of stocks of small U.S. companies.

SBBI U.S. (30-day) Treasury Bills is generally representative of the rate of return on a savings investment.

The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Index measures the performance of mid-capitalization stocks.

The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

The S&P 500 Index is a market-capitalization weighted index of the 500 largest domestic U.S. stocks. Shiller Home Price Index tracks changes in home prices throughout the United States.

Treasury Inflation Protected Securities is generic U.S. Government inflation-index bonds.

The U.S. existing home sales median price tracks changes in residential property prices of existing single-family homes, condos and co-op sales.

Indices are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. **Past performance does not guarantee future results.**

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