

Anatomy of a Person's Lifetime Financial Cash Flows

AVERAGE SALARY

| Age | Salary | Taxes | Mortgage Interest | Student Debt | Addictions |
|-----|----------|---------|-------------------|--------------|------------|
| 16 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 18 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 19 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 20 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 21 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 22 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 23 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 24 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 25 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 26 | \$35,000 | \$4,978 | \$14,706 | \$1,226 | \$12,500 |
| 27 | \$35,350 | \$5,049 | \$14,391 | \$1,199 | \$12,500 |
| 28 | \$35,704 | \$5,120 | \$14,059 | \$1,172 | \$2,500 |
| 29 | \$36,061 | \$5,191 | \$13,711 | \$1,143 | \$2,500 |
| 30 | \$36,421 | \$5,263 | \$13,345 | \$1,112 | \$2,500 |
| 31 | \$36,785 | \$5,336 | \$12,961 | \$1,080 | \$2,500 |
| 32 | \$37,153 | \$5,410 | \$12,557 | \$1,046 | \$2,500 |
| 33 | \$37,525 | \$5,485 | \$12,132 | \$1,011 | \$2,500 |
| 34 | \$37,900 | \$5,565 | \$11,687 | \$974 | \$2,500 |
| 35 | \$38,279 | \$5,657 | \$11,218 | \$935 | \$2,500 |
| 36 | \$38,662 | \$5,749 | \$10,726 | \$894 | \$2,500 |
| 37 | \$39,048 | \$5,842 | \$10,209 | \$851 | \$2,500 |
| 38 | \$39,439 | \$5,937 | \$9,666 | \$806 | \$2,500 |
| 39 | \$39,833 | \$6,032 | \$9,096 | \$758 | \$2,500 |
| 40 | \$40,232 | \$6,128 | \$8,496 | \$708 | \$2,500 |
| 41 | \$40,634 | \$6,225 | \$7,866 | \$656 | \$2,500 |
| 42 | \$41,040 | \$6,323 | \$7,204 | \$600 | \$2,500 |
| 43 | \$41,451 | \$6,423 | \$6,509 | \$542 | \$2,500 |
| 44 | \$41,865 | \$6,545 | \$5,779 | \$482 | \$2,500 |

AVERAGE SALARY—CONTINUED

| Age | Savings | Accumulated Savings | Investment Return (6%) | Inflation | Fees | Net Amount |
|-----|----------|---------------------|------------------------|-----------|---------|------------|
| 16 | \$0 | \$0 | | | \$0 | |
| 17 | \$0 | \$0 | | | \$0 | |
| 18 | \$0 | \$0 | | | \$0 | |
| 19 | \$0 | \$0 | | | \$0 | |
| 20 | \$0 | \$0 | | | \$0 | |
| 21 | \$0 | \$0 | | | \$0 | |
| 22 | \$0 | \$0 | | | \$0 | |
| 23 | \$0 | \$0 | | | \$0 | |
| 24 | \$0 | \$0 | | | \$0 | |
| 25 | \$0 | \$0 | | | \$0 | |
| 26 | \$1,590 | \$1,590 | \$95 | \$34 | \$34 | \$1,523 |
| 27 | \$2,211 | \$3,802 | \$228 | \$81 | \$81 | \$2,050 |
| 28 | \$12,853 | \$16,655 | \$999 | \$353 | \$353 | \$12,147 |
| 29 | \$13,516 | \$30,171 | \$1,810 | \$640 | \$640 | \$12,237 |
| 30 | \$14,201 | \$44,372 | \$2,662 | \$941 | \$941 | \$12,320 |
| 31 | \$14,909 | \$59,281 | \$3,557 | \$1,257 | \$1,257 | \$12,395 |
| 32 | \$15,640 | \$74,921 | \$4,495 | \$1,588 | \$1,588 | \$12,463 |
| 33 | \$16,396 | \$91,317 | \$5,479 | \$1,936 | \$1,936 | \$12,524 |
| 34 | \$17,174 | \$108,491 | \$6,509 | \$2,300 | \$2,300 | \$12,574 |
| 35 | \$17,969 | \$126,460 | \$7,588 | \$2,681 | \$2,681 | \$12,607 |
| 36 | \$18,793 | \$145,253 | \$8,715 | \$3,079 | \$3,079 | \$12,634 |
| 37 | \$19,646 | \$164,899 | \$9,894 | \$3,496 | \$3,496 | \$12,655 |
| 38 | \$20,530 | \$185,429 | \$11,126 | \$3,931 | \$3,931 | \$12,668 |
| 39 | \$21,448 | \$206,877 | \$12,413 | \$4,386 | \$4,386 | \$12,676 |
| 40 | \$22,400 | \$229,276 | \$13,757 | \$4,861 | \$4,861 | \$12,678 |
| 41 | \$23,387 | \$252,663 | \$15,160 | \$5,356 | \$5,356 | \$12,674 |
| 42 | \$24,412 | \$277,076 | \$16,625 | \$5,874 | \$5,874 | \$12,664 |
| 43 | \$25,476 | \$302,552 | \$18,153 | \$6,414 | \$6,414 | \$12,648 |
| 44 | \$26,560 | \$329,112 | \$19,747 | \$6,977 | \$6,977 | \$12,605 |

AVERAGE SALARY—CONTINUED

| Age | Salary | Taxes | Mortgage Interest | Student Debt | Addictions |
|-----------------|-------------|---|-------------------|--------------|------------|
| 45 | \$42,284 | \$6,676 | \$5,011 | \$418 | \$2,500 |
| 46 | \$42,707 | \$6,807 | \$4,205 | \$350 | \$2,500 |
| 47 | \$43,134 | \$6,940 | \$3,358 | \$280 | \$2,500 |
| 48 | \$43,565 | \$7,075 | \$2,468 | \$206 | \$2,500 |
| 49 | \$44,001 | \$7,210 | \$1,533 | \$128 | \$2,500 |
| 50 | \$44,441 | \$7,347 | \$551 | \$46 | \$2,500 |
| 51 | \$44,885 | \$7,846 | \$0 | \$0 | \$2,500 |
| 52 | \$45,334 | \$7,625 | \$0 | \$0 | \$2,500 |
| 53 | \$45,787 | \$7,767 | \$0 | \$0 | \$2,500 |
| 54 | \$46,245 | \$7,909 | \$0 | \$0 | \$2,500 |
| 55 | \$46,708 | \$8,054 | \$0 | \$0 | \$2,500 |
| 56 | \$47,175 | \$8,199 | \$0 | \$0 | \$2,500 |
| 57 | \$47,646 | \$8,346 | \$0 | \$0 | \$2,500 |
| 58 | \$48,123 | \$8,494 | \$0 | \$0 | \$2,500 |
| 59 | \$48,604 | \$8,644 | \$0 | \$0 | \$2,500 |
| 60 | \$49,090 | \$8,796 | \$0 | \$0 | \$2,500 |
| 61 | \$49,581 | \$8,949 | \$0 | \$0 | \$2,500 |
| 62 | \$50,077 | \$9,103 | \$0 | \$0 | \$2,500 |
| 63 | \$50,578 | \$9,259 | \$0 | \$0 | \$2,500 |
| 64 | \$51,083 | \$9,416 | \$0 | \$0 | \$2,500 |
| 65 | \$51,594 | \$9,576 | \$0 | \$0 | \$2,500 |
| Totals | \$2,799,889 | \$278,297 | \$223,444 | \$18,620 | \$120,000 |
| Expenses | | \$2,046,294 | | | |
| Net | \$753,595 | You will see \$1,120,661 in your account, but you will be able to buy \$753,595 worth of stuff, so effectively the \$753,595 is what you have left. | | | |
| Net + Inflation | \$1,120,661 | | | | |
| Given Out | 73.08% | | | | |

AVERAGE SALARY—CONTINUED

| Age | Savings | Accumulated Savings | Investment Return (6%) | Inflation | Fees | Net Amount |
|--------|----------|---------------------|------------------------|-----------|-----------|------------|
| 45 | \$27,679 | \$356,791 | \$21,407 | \$7,564 | \$7,564 | \$12,551 |
| 46 | \$28,844 | \$385,635 | \$23,138 | \$8,175 | \$8,175 | \$12,493 |
| 47 | \$30,056 | \$415,691 | \$24,941 | \$8,813 | \$8,813 | \$12,431 |
| 48 | \$31,316 | \$447,007 | \$26,820 | \$9,477 | \$9,477 | \$12,363 |
| 49 | \$32,630 | \$479,637 | \$28,778 | \$10,168 | \$10,168 | \$12,293 |
| 50 | \$33,997 | \$513,634 | \$30,818 | \$10,889 | \$10,889 | \$12,219 |
| 51 | \$34,539 | \$548,173 | \$32,890 | \$11,621 | \$11,621 | \$11,297 |
| 52 | \$35,208 | \$583,381 | \$35,003 | \$12,368 | \$12,368 | \$10,473 |
| 53 | \$35,520 | \$618,902 | \$37,134 | \$13,121 | \$13,121 | \$9,279 |
| 54 | \$35,836 | \$654,738 | \$39,284 | \$13,880 | \$13,880 | \$8,075 |
| 55 | \$36,154 | \$690,891 | \$41,453 | \$14,647 | \$14,647 | \$6,860 |
| 56 | \$36,476 | \$727,367 | \$43,642 | \$15,420 | \$15,420 | \$5,635 |
| 57 | \$36,800 | \$764,168 | \$45,850 | \$16,200 | \$16,200 | \$4,400 |
| 58 | \$37,129 | \$801,296 | \$48,078 | \$16,987 | \$16,987 | \$3,154 |
| 59 | \$37,460 | \$838,757 | \$50,325 | \$17,782 | \$17,782 | \$1,897 |
| 60 | \$37,794 | \$876,551 | \$52,593 | \$18,583 | \$18,583 | \$628 |
| 61 | \$38,132 | \$914,683 | \$54,881 | \$19,391 | \$19,391 | -\$650 |
| 62 | \$38,474 | \$953,157 | \$57,189 | \$20,207 | \$20,207 | -\$1,940 |
| 63 | \$38,819 | \$991,975 | \$59,519 | \$21,030 | \$21,030 | -\$3,241 |
| 64 | \$39,167 | \$1,031,143 | \$61,869 | \$21,860 | \$21,860 | -\$4,553 |
| 65 | \$39,518 | \$1,070,661 | \$64,240 | \$22,698 | \$22,698 | -\$5,878 |
| Totals | | | \$1,038,866 | \$367,066 | \$367,066 | |
| | | Taxes | \$311,666 | | | |

Anatomy of a Person's Lifetime Financial Cash Flows

HIGH SALARY

| Age | Salary | Taxes | Mortgage Interest | Student Debt | Addictions |
|-----|----------|----------|-------------------|--------------|------------|
| 16 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 18 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 19 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 20 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 21 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 22 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 23 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 24 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 25 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 26 | \$70,000 | \$15,373 | \$14,706 | \$1,226 | \$12,500 |
| 27 | \$70,700 | \$15,604 | \$14,391 | \$1,199 | \$12,500 |
| 28 | \$71,407 | \$15,837 | \$14,059 | \$1,172 | \$2,500 |
| 29 | \$72,121 | \$16,072 | \$13,711 | \$1,143 | \$2,500 |
| 30 | \$72,842 | \$16,310 | \$13,345 | \$1,112 | \$2,500 |
| 31 | \$73,571 | \$16,551 | \$12,961 | \$1,080 | \$2,500 |
| 32 | \$74,306 | \$16,793 | \$12,557 | \$1,046 | \$2,500 |
| 33 | \$75,049 | \$17,038 | \$12,132 | \$1,011 | \$2,500 |
| 34 | \$75,800 | \$17,292 | \$11,687 | \$974 | \$2,500 |
| 35 | \$76,558 | \$17,560 | \$11,218 | \$935 | \$2,500 |
| 36 | \$77,324 | \$17,831 | \$10,726 | \$894 | \$2,500 |
| 37 | \$78,097 | \$18,105 | \$10,209 | \$851 | \$2,500 |
| 38 | \$78,878 | \$18,401 | \$9,666 | \$806 | \$2,500 |
| 39 | \$79,667 | \$18,172 | \$9,096 | \$758 | \$2,500 |
| 40 | \$80,463 | \$19,026 | \$8,496 | \$708 | \$2,500 |
| 41 | \$81,268 | \$19,343 | \$7,866 | \$656 | \$2,500 |
| 42 | \$82,081 | \$19,663 | \$7,204 | \$600 | \$2,500 |
| 43 | \$82,901 | \$19,987 | \$6,509 | \$542 | \$2,500 |
| 44 | \$83,730 | \$20,339 | \$5,779 | \$482 | \$2,500 |

HIGH SALARY—CONTINUED

| Age | Savings | Accumulated Savings | Investment Return (6%) | Inflation | Fees | Net Amount |
|-----|----------|---------------------|------------------------|-----------|----------|------------|
| 16 | \$0 | \$0 | | | \$0 | |
| 17 | \$0 | \$0 | | | \$0 | |
| 18 | \$0 | \$0 | | | \$0 | |
| 19 | \$0 | \$0 | | | \$0 | |
| 20 | \$0 | \$0 | | | \$0 | |
| 21 | \$0 | \$0 | | | \$0 | |
| 22 | \$0 | \$0 | | | \$0 | |
| 23 | \$0 | \$0 | | | \$0 | |
| 24 | \$0 | \$0 | | | \$0 | |
| 25 | \$0 | \$0 | | | \$0 | |
| 26 | \$26,195 | \$26,195 | \$1,572 | \$555 | \$555 | \$25,085 |
| 27 | \$27,006 | \$53,202 | \$3,192 | \$1,128 | \$1,128 | \$24,751 |
| 28 | \$37,839 | \$91,041 | \$5,462 | \$1,930 | \$1,930 | \$33,979 |
| 29 | \$38,696 | \$129,737 | \$7,784 | \$2,750 | \$2,750 | \$33,195 |
| 30 | \$39,575 | \$169,312 | \$10,159 | \$3,589 | \$3,589 | \$32,396 |
| 31 | \$40,479 | \$209,791 | \$12,587 | \$4,448 | \$4,448 | \$31,584 |
| 32 | \$41,410 | \$251,201 | \$15,072 | \$5,325 | \$5,325 | \$30,759 |
| 33 | \$42,368 | \$293,569 | \$17,614 | \$6,224 | \$6,224 | \$29,921 |
| 34 | \$43,347 | \$336,917 | \$20,215 | \$7,143 | \$7,143 | \$29,062 |
| 35 | \$44,345 | \$381,261 | \$22,876 | \$8,083 | \$8,083 | \$28,179 |
| 36 | \$45,372 | \$426,634 | \$25,598 | \$9,045 | \$9,045 | \$27,283 |
| 37 | \$46,432 | \$473,066 | \$28,384 | \$10,029 | \$10,029 | \$26,374 |
| 38 | \$47,505 | \$520,571 | \$31,234 | \$11,036 | \$11,036 | \$25,433 |
| 39 | \$49,141 | \$569,712 | \$34,183 | \$12,078 | \$12,078 | \$24,985 |
| 40 | \$49,733 | \$619,445 | \$37,167 | \$13,132 | \$13,132 | \$23,469 |
| 41 | \$50,903 | \$670,348 | \$40,221 | \$14,211 | \$14,211 | \$22,480 |
| 42 | \$52,113 | \$722,460 | \$43,348 | \$15,316 | \$15,316 | \$21,480 |
| 43 | \$53,363 | \$775,823 | \$46,549 | \$16,447 | \$16,447 | \$20,468 |
| 44 | \$54,631 | \$830,454 | \$49,827 | \$17,606 | \$17,606 | \$19,420 |

HIGH SALARY—CONTINUED

| Age | Salary | Taxes | Mortgage Interest | Student Debt | Addictions |
|-----------------|-------------|---|-------------------|--------------|------------|
| 45 | \$84,568 | \$20,703 | \$5,011 | \$418 | \$2,500 |
| 46 | \$85,413 | \$21,070 | \$4,205 | \$350 | \$2,500 |
| 47 | \$86,267 | \$21,440 | \$3,358 | \$280 | \$2,500 |
| 48 | \$87,130 | \$21,815 | \$2,468 | \$206 | \$2,500 |
| 49 | \$88,001 | \$22,193 | \$1,533 | \$128 | \$2,500 |
| 50 | \$88,881 | \$22,575 | \$551 | \$46 | \$2,500 |
| 51 | \$89,770 | \$22,961 | \$0 | \$0 | \$2,500 |
| 52 | \$90,668 | \$23,351 | \$0 | \$0 | \$2,500 |
| 53 | \$91,575 | \$23,745 | \$0 | \$0 | \$2,500 |
| 54 | \$92,490 | \$24,142 | \$0 | \$0 | \$2,500 |
| 55 | \$93,415 | \$24,543 | \$0 | \$0 | \$2,500 |
| 56 | \$94,349 | \$24,949 | \$0 | \$0 | \$2,500 |
| 57 | \$95,293 | \$25,359 | \$0 | \$0 | \$2,500 |
| 58 | \$96,246 | \$25,772 | \$0 | \$0 | \$2,500 |
| 59 | \$97,208 | \$26,190 | \$0 | \$0 | \$2,500 |
| 60 | \$98,180 | \$26,612 | \$0 | \$0 | \$2,500 |
| 61 | \$99,162 | \$27,038 | \$0 | \$0 | \$2,500 |
| 62 | \$100,154 | \$27,469 | \$0 | \$0 | \$2,500 |
| 63 | \$101,155 | \$27,903 | \$0 | \$0 | \$2,500 |
| 64 | \$102,167 | \$28,343 | \$0 | \$0 | \$2,500 |
| 65 | \$103,189 | \$28,786 | \$0 | \$0 | \$2,500 |
| Totals | \$5,846,916 | \$851,446 | \$223,444 | \$18,620 | \$120,000 |
| Expenses | | \$4,427,502 | | | |
| Net | \$1,419,415 | You will see \$2,258,535 in your account, but you will be able to buy \$1,419,415 worth of stuff, so effectively the \$1,419,415 is what you have left. | | | |
| Net + Inflation | \$2,258,535 | | | | |
| Given Out | 75.72% | | | | |

HIGH SALARY—CONTINUED

| Age | Savings | Accumulated Savings | Investment Return (6%) | Inflation | Fees | Net Amount |
|--------|----------|---------------------|------------------------|-----------|-----------|------------|
| 45 | \$55,936 | \$886,390 | \$53,183 | \$18,791 | \$18,791 | \$18,353 |
| 46 | \$57,288 | \$943,677 | \$56,621 | \$20,006 | \$20,006 | \$17,276 |
| 47 | \$58,690 | \$1,002,367 | \$60,142 | \$21,250 | \$21,250 | \$16,189 |
| 48 | \$60,141 | \$1,062,508 | \$63,751 | \$22,525 | \$22,525 | \$15,091 |
| 49 | \$61,648 | \$1,124,156 | \$67,449 | \$23,832 | \$23,832 | \$13,983 |
| 50 | \$63,210 | \$1,187,366 | \$71,242 | \$25,172 | \$25,172 | \$12,866 |
| 51 | \$64,309 | \$1,251,675 | \$75,101 | \$26,536 | \$26,536 | \$11,238 |
| 52 | \$64,817 | \$1,316,492 | \$78,990 | \$27,910 | \$27,910 | \$8,998 |
| 53 | \$65,330 | \$1,381,822 | \$82,909 | \$29,295 | \$29,295 | \$6,740 |
| 54 | \$65,848 | \$1,447,670 | \$86,860 | \$30,691 | \$30,691 | \$4,467 |
| 55 | \$66,372 | \$1,514,043 | \$90,843 | \$32,098 | \$32,098 | \$2,177 |
| 56 | \$66,900 | \$1,580,943 | \$94,857 | \$33,516 | \$33,516 | -\$132 |
| 57 | \$67,434 | \$1,648,377 | \$98,903 | \$34,946 | \$34,946 | -\$2,457 |
| 58 | \$67,974 | \$1,716,351 | \$102,981 | \$36,387 | \$36,387 | -\$4,799 |
| 59 | \$68,518 | \$1,784,869 | \$107,092 | \$37,839 | \$37,839 | -\$7,160 |
| 60 | \$69,068 | \$1,853,937 | \$111,236 | \$39,303 | \$39,303 | -\$9,539 |
| 61 | \$69,624 | \$1,923,562 | \$115,414 | \$40,780 | \$40,780 | -\$11,935 |
| 62 | \$70,185 | \$1,993,746 | \$119,625 | \$42,267 | \$42,267 | -\$14,350 |
| 63 | \$71,562 | \$2,065,309 | \$123,919 | \$43,785 | \$43,785 | -\$16,007 |
| 64 | \$71,324 | \$2,136,633 | \$128,198 | \$45,297 | \$45,297 | -\$19,269 |
| 65 | \$71,903 | \$2,208,535 | \$132,512 | \$46,821 | \$46,821 | -\$21,739 |
| Totals | | | \$2,374,870 | \$839,121 | \$839,121 | |
| | | Taxes | \$712,461 | | | |

Anatomy of a Person's Lifetime Financial Cash Flows

LOW SALARY

| Age | Salary | Taxes | Mortgage Interest | Student Debt | Addictions |
|-----|----------|---------|-------------------|--------------|------------|
| 16 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 18 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 19 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 20 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 21 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 22 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 23 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 24 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 25 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| 26 | \$25,000 | \$2,973 | \$14,706 | \$1,226 | \$12,500 |
| 27 | \$25,250 | \$3,024 | \$14,391 | \$1,199 | \$12,500 |
| 28 | \$25,503 | \$3,074 | \$14,059 | \$1,172 | \$2,500 |
| 29 | \$25,758 | \$3,125 | \$13,711 | \$1,143 | \$2,500 |
| 30 | \$26,015 | \$3,177 | \$13,345 | \$1,112 | \$2,500 |
| 31 | \$26,275 | \$3,229 | \$12,961 | \$1,080 | \$2,500 |
| 32 | \$26,538 | \$3,282 | \$12,557 | \$1,046 | \$2,500 |
| 33 | \$26,803 | \$3,335 | \$12,132 | \$1,011 | \$2,500 |
| 34 | \$27,071 | \$3,389 | \$11,687 | \$974 | \$2,500 |
| 35 | \$27,342 | \$3,461 | \$11,218 | \$935 | \$2,500 |
| 36 | \$27,616 | \$3,498 | \$10,726 | \$894 | \$2,500 |
| 37 | \$27,892 | \$3,553 | \$10,209 | \$851 | \$2,500 |
| 38 | \$28,171 | \$3,609 | \$9,666 | \$806 | \$2,500 |
| 39 | \$28,452 | \$3,666 | \$9,096 | \$758 | \$2,500 |
| 40 | \$28,737 | \$3,723 | \$8,496 | \$708 | \$2,500 |
| 41 | \$29,024 | \$3,780 | \$7,866 | \$656 | \$2,500 |
| 42 | \$29,314 | \$3,838 | \$7,204 | \$600 | \$2,500 |
| 43 | \$29,608 | \$3,897 | \$6,509 | \$542 | \$2,500 |
| 44 | \$29,904 | \$3,957 | \$5,779 | \$482 | \$2,500 |

LOW SALARY—CONTINUED

| Age | Savings | Accumulated Savings | Investment Return (6%) | Inflation | Fees | Net Amount |
|-----|----------|---------------------|------------------------|-----------|---------|------------|
| 16 | \$0 | \$0 | | | \$0 | |
| 17 | \$0 | \$0 | | | \$0 | |
| 18 | \$0 | \$0 | | | \$0 | |
| 19 | \$0 | \$0 | | | \$0 | |
| 20 | \$0 | \$0 | | | \$0 | |
| 21 | \$0 | \$0 | | | \$0 | |
| 22 | \$0 | \$0 | | | \$0 | |
| 23 | \$0 | \$0 | | | \$0 | |
| 24 | \$0 | \$0 | | | \$0 | |
| 25 | \$0 | \$0 | | | \$0 | |
| 26 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$6,405 |
| 27 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$5,864 |
| 28 | \$4,698 | \$0 | \$0 | \$0 | \$0 | \$4,698 |
| 29 | \$5,279 | \$0 | \$0 | \$0 | \$0 | \$5,279 |
| 30 | \$5,881 | \$15,858 | \$951 | \$336 | \$336 | \$5,209 |
| 31 | \$6,506 | \$22,364 | \$1,342 | \$474 | \$474 | \$5,557 |
| 32 | \$7,153 | \$29,516 | \$1,771 | \$626 | \$626 | \$5,901 |
| 33 | \$7,825 | \$37,341 | \$2,240 | \$792 | \$792 | \$6,242 |
| 34 | \$8,522 | \$45,863 | \$2,752 | \$972 | \$972 | \$6,577 |
| 35 | \$9,228 | \$55,091 | \$3,305 | \$1,168 | \$1,168 | \$6,892 |
| 36 | \$9,997 | \$65,089 | \$3,905 | \$1,380 | \$1,380 | \$7,238 |
| 37 | \$10,779 | \$75,867 | \$4,552 | \$1,608 | \$1,608 | \$7,562 |
| 38 | \$11,590 | \$87,457 | \$5,247 | \$1,854 | \$1,854 | \$7,882 |
| 39 | \$12,433 | \$99,890 | \$5,993 | \$2,118 | \$2,118 | \$8,197 |
| 40 | \$13,310 | \$113,200 | \$6,792 | \$2,400 | \$2,400 | \$8,510 |
| 41 | \$14,222 | \$127,422 | \$7,645 | \$2,701 | \$2,701 | \$8,820 |
| 42 | \$15,172 | \$142,594 | \$8,556 | \$3,023 | \$3,023 | \$9,126 |
| 43 | \$16,159 | \$158,753 | \$9,525 | \$3,366 | \$3,366 | \$9,428 |
| 44 | \$17,186 | \$175,939 | \$10,556 | \$3,730 | \$3,730 | \$9,727 |

LOW SALARY—CONTINUED

| Age | Salary | Taxes | Mortgage Interest | Student Debt | Addictions |
|-----------------|-------------|---|-------------------|--------------|------------|
| 45 | \$30,203 | \$4,017 | \$5,011 | \$418 | \$2,500 |
| 46 | \$30,505 | \$4,077 | \$4,205 | \$350 | \$2,500 |
| 47 | \$30,810 | \$4,138 | \$3,358 | \$280 | \$2,500 |
| 48 | \$31,118 | \$4,200 | \$2,468 | \$206 | \$2,500 |
| 49 | \$31,429 | \$4,262 | \$1,533 | \$128 | \$2,500 |
| 50 | \$31,743 | \$4,325 | \$551 | \$46 | \$2,500 |
| 51 | \$32,061 | \$4,389 | \$0 | \$0 | \$2,500 |
| 52 | \$32,381 | \$4,453 | \$0 | \$0 | \$2,500 |
| 53 | \$32,705 | \$4,518 | \$0 | \$0 | \$2,500 |
| 54 | \$33,032 | \$4,584 | \$0 | \$0 | \$2,500 |
| 55 | \$33,363 | \$4,650 | \$0 | \$0 | \$2,500 |
| 56 | \$33,696 | \$4,717 | \$0 | \$0 | \$2,500 |
| 57 | \$34,033 | \$4,785 | \$0 | \$0 | \$2,500 |
| 58 | \$34,374 | \$4,925 | \$0 | \$0 | \$2,500 |
| 59 | \$34,717 | \$4,922 | \$0 | \$0 | \$2,500 |
| 60 | \$35,064 | \$4,991 | \$0 | \$0 | \$2,500 |
| 61 | \$35,415 | \$5,062 | \$0 | \$0 | \$2,500 |
| 62 | \$35,769 | \$5,133 | \$0 | \$0 | \$2,500 |
| 63 | \$36,127 | \$5,024 | \$0 | \$0 | \$2,500 |
| 64 | \$36,488 | \$5,277 | \$0 | \$0 | \$2,500 |
| 65 | \$36,853 | \$5,350 | \$0 | \$0 | \$2,500 |
| Totals | \$1,899,069 | \$165,160 | \$223,444 | \$18,620 | \$120,000 |
| Expenses | | \$1,371,700 | | | |
| Net | \$525,197 | You will see \$746,705 in your account, but you will be able to buy \$525,197 worth of stuff, so effectively the \$525,197 is what you have left. | | | |
| Net + Inflation | \$746,705 | | | | |
| Given Out | 72.34% | | | | |

LOW SALARY—CONTINUED

| Age | Savings | Accumulated Savings | Investment Return (6%) | Inflation | Fees | Net Amount |
|--------|----------|---------------------|------------------------|-----------|-----------|------------|
| 45 | \$18,257 | \$194,196 | \$11,652 | \$4,117 | \$4,117 | \$10,023 |
| 46 | \$19,372 | \$213,568 | \$12,814 | \$4,528 | \$4,528 | \$10,317 |
| 47 | \$20,534 | \$234,102 | \$14,046 | \$4,963 | \$4,963 | \$10,608 |
| 48 | \$21,744 | \$255,846 | \$15,351 | \$5,424 | \$5,424 | \$10,896 |
| 49 | \$23,006 | \$278,853 | \$16,731 | \$5,912 | \$5,912 | \$11,183 |
| 50 | \$24,322 | \$303,174 | \$18,190 | \$6,427 | \$6,427 | \$11,467 |
| 51 | \$25,172 | \$328,346 | \$19,701 | \$6,961 | \$6,961 | \$11,250 |
| 52 | \$25,428 | \$353,775 | \$21,226 | \$7,500 | \$7,500 | \$10,428 |
| 53 | \$25,687 | \$379,462 | \$22,768 | \$8,045 | \$8,045 | \$9,598 |
| 54 | \$25,948 | \$405,410 | \$24,325 | \$8,595 | \$8,595 | \$8,759 |
| 55 | \$26,213 | \$431,623 | \$25,897 | \$9,150 | \$9,150 | \$7,912 |
| 56 | \$26,479 | \$458,102 | \$27,486 | \$9,712 | \$9,712 | \$7,056 |
| 57 | \$26,748 | \$484,850 | \$29,091 | \$10,279 | \$10,279 | \$6,191 |
| 58 | \$26,949 | \$511,799 | \$30,708 | \$10,850 | \$10,850 | \$5,248 |
| 59 | \$27,295 | \$539,094 | \$32,346 | \$11,429 | \$11,429 | \$4,438 |
| 60 | \$27,573 | \$566,667 | \$34,000 | \$12,013 | \$12,013 | \$3,547 |
| 61 | \$27,853 | \$594,520 | \$35,671 | \$12,604 | \$12,604 | \$2,645 |
| 62 | \$28,136 | \$622,657 | \$37,359 | \$13,200 | \$13,200 | \$1,736 |
| 63 | \$28,603 | \$651,259 | \$39,076 | \$13,807 | \$13,807 | \$990 |
| 64 | \$28,711 | \$679,971 | \$40,798 | \$14,415 | \$14,415 | -\$120 |
| 65 | \$29,003 | \$708,974 | \$42,538 | \$15,030 | \$15,030 | -\$1,057 |
| Totals | | | \$626,909 | \$221,508 | \$221,508 | |
| | | Taxes | \$188,073 | | | |

ASSUMPTIONS FOR THE PRECEDING CASH FLOW TABLES

AVERAGE SALARY

- Work begins at 16 years old (summer only/part time—earning \$5,000 per year).
- Full-time work begins at 25 years old.
- Full-time work ends at 65 years old.
- School costs \$50,000 in total, \$25,000 of which is debt.
- Average salary based on Statistics Canada average for Ontario.
- Debt based on average person's debt (Statistics Canada).
- Tax rates based on 2011 tax rates, Ernst & Young Tax Calculator.
- Deductions are estimated.
- No other income is assumed.
- After 65, salary becomes CPP + OAS + Savings Residual.
- Salary of \$35,000 is \$70,000/2 (Couple family median in Ontario for 2009).
- Salary is raised 1% each year.
- Taxes are recalculated for every income amount (Ontario).
- Assumes house is \$300,000 at 5% mortgage; interest comes from amortization table.
- Assumes this is the only house purchased with a mortgage.
- Average student debt is \$25,000 for a four-year program.
- Average interest rate is 5% per year.
- Assumes minimum payment as per amortization table.
- Average consumer debt in Ontario is stable at about \$25,000.
- The assumed interest rate is about 10%–18% credit cards, 6% line of credit, etc.
- Since most consumables go on a credit card, this is the approximate value of the additions tab.
- Assumed it takes two years to run up the household debt to \$25,000, so then 10% plus continuing expenses keep this debt around \$25,000 and \$2,500 in interest.
- Assumes investment fees of about 2% (Management Expense Ratio [MER] on mutual funds), and also advisor fees of 1%, trading fees and administration costs of 0.25%, and sales loads on average of about 2% on most mutual funds.
- Sales taxes (HST) are assumed under the additions column.
- Inflation and investment fees are levied as a percentage of the accumulated amounts saved.
- In Year 1, if you have \$10,000, you will pay \$200 in fees and \$200 in inflation.
- In Year 2, assuming you have \$20,000, you will pay \$400 in fees and inflation, etc.
- An investment return of 6% is assumed; 30% taxes on investment return and no losses are assumed. The 6% is for equities and around 4% for fixed income; the average rate of return is 5%. Since inflation is 2%, investment fees are 2%, and taxes will be substantial; the net return for the average person is close to 0%. If you are a savvy investor, the numbers will get a lot better for you.

- Assumes no salary interruption and no job loss.
- You will have a house after all this, whose value is not assumed. Pensions are not assumed, neither is CPP/OAS, which kick in after age 65.

HIGH SALARY

In addition to the assumptions for an average salary, the higher salary may have the following happen:

Note that people making higher salaries tend to buy bigger homes and consume more on addictions; this is not accounted for here, but the numbers will only get worse compared to someone with an average salary.

LOW SALARY

In addition to the assumptions for the average salary, there is also the assumption below for the low salary:

There are some negative savings numbers in the early years which are capped at zero dollars; this is fairly typical if salaries are low. There is no adjustment for lower addictions costs for the lower salary, which typically would be lower compared to someone with an average salary.