

Investing through the Ages

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Briaud Financial Planning

Website: www.briaud.com

Ages 20 to 35

- Pay off consumer debt
- 401k Employer Match
- Roth IRA
- Emergency Fund

Input

- How much have you saved so far? \$0
- How much do you intend to set aside each year? \$4000
- For how many years will you save this amount? 40
- What pre-tax annual return do you expect on these savings (0 to 12 percent) 7%
- What is your marginal tax bracket? 25%

Results

- In a taxable account, your savings would grow to: **\$ 513,718**
- In a tax-deferred account, your savings would grow to: **\$ 798,540**
- Even after taxes, the tax-deferred account would grow to: **\$ 638,905**

The Advantage of Tax-Deferred Accumulation



Ages 35 to 50

- Retirement Savings
 - Save 15-20% gross income per year
 - Roth
- College Education
- Other Goals

Input

- How much have you saved so far? \$0
- How much do you intend to set aside each year? \$4000
- For how many years will you save this amount? 30
- What pre-tax annual return do you expect on these savings (0 to 12 percent)? 7%
- What is your marginal tax bracket? 25%

Results

- In a taxable account, your savings would grow to: \$277,452
- In a tax-deferred account, your savings would grow to: \$377,843
- Even after taxes, the tax-deferred account would grow to: \$313,382

The Advantage of Tax-Deferred Accumulation



Ages 50 to 65

- Pay off mortgage
- Roth
- Retirement

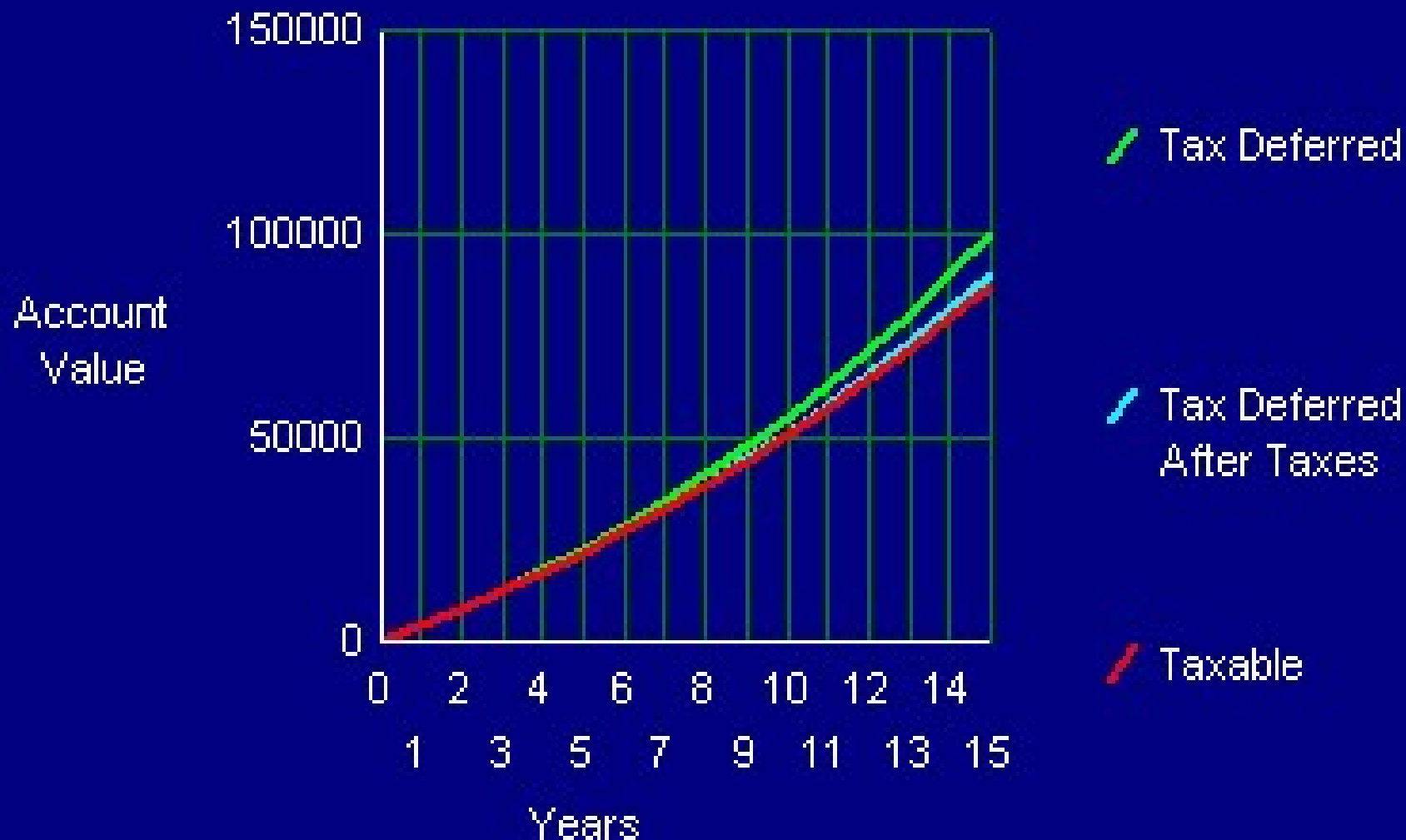
Input

- How much have you saved so far? \$0
- How much do you intend to set aside each year? \$4000
- For how many years will you save this amount? 15
- What pre-tax annual return do you expect on these savings (0 to 12 percent)? 7%
- What is your marginal tax bracket? 25%

Results

- In a taxable account, your savings would grow to: \$87,956
- In a tax-deferred account, your savings would grow to: \$100,516
- Even after taxes, the tax-deferred account would grow to: \$90,387

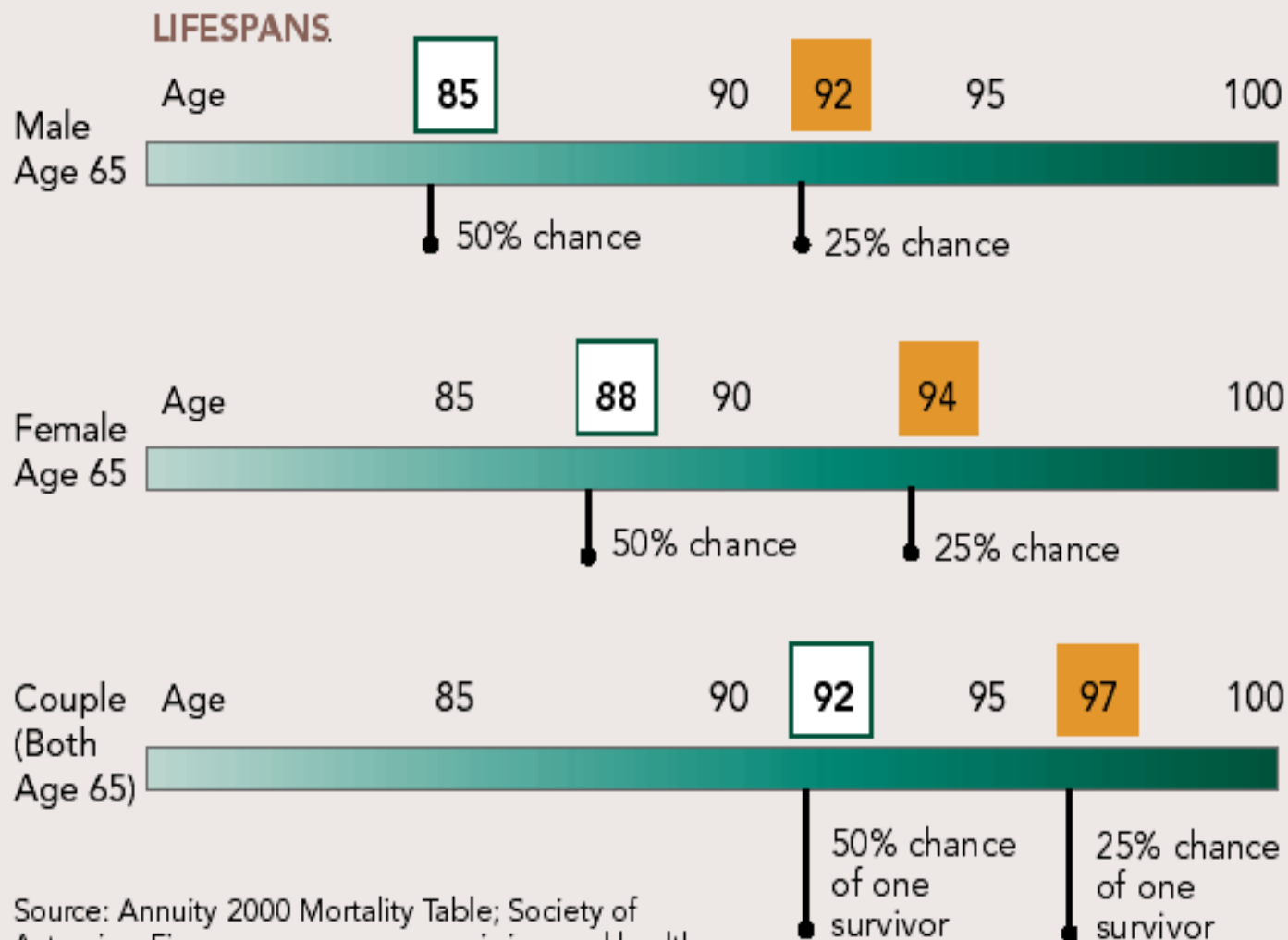
The Advantage of Tax-Deferred Accumulation



Age 65 +

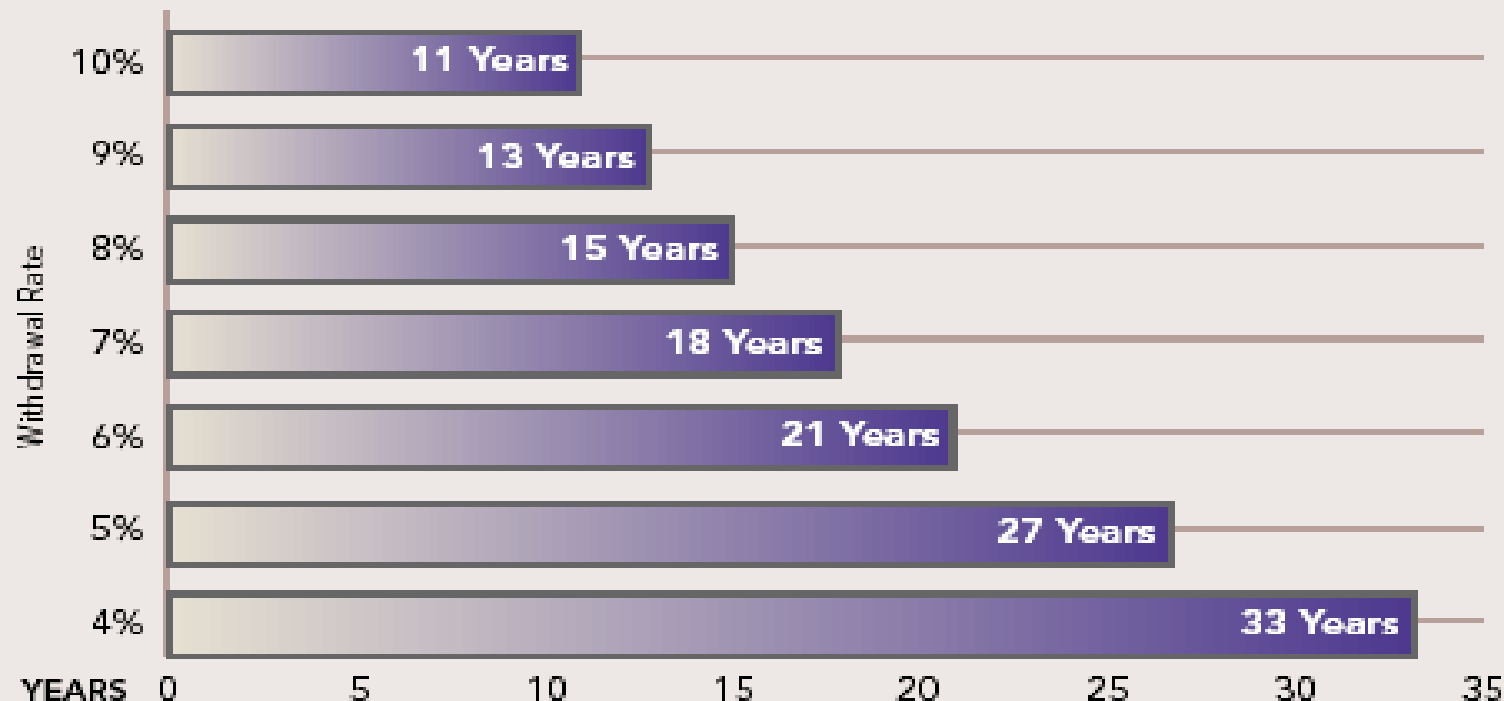
- Roth Conversion
- RMD 70 ½
- Spending 4%
- Gift to grandchildren – Roth
- ENJOY!

RETIREES NEED TO PLAN FOR POSSIBLE LONGER LIFE EXPECTANCIES



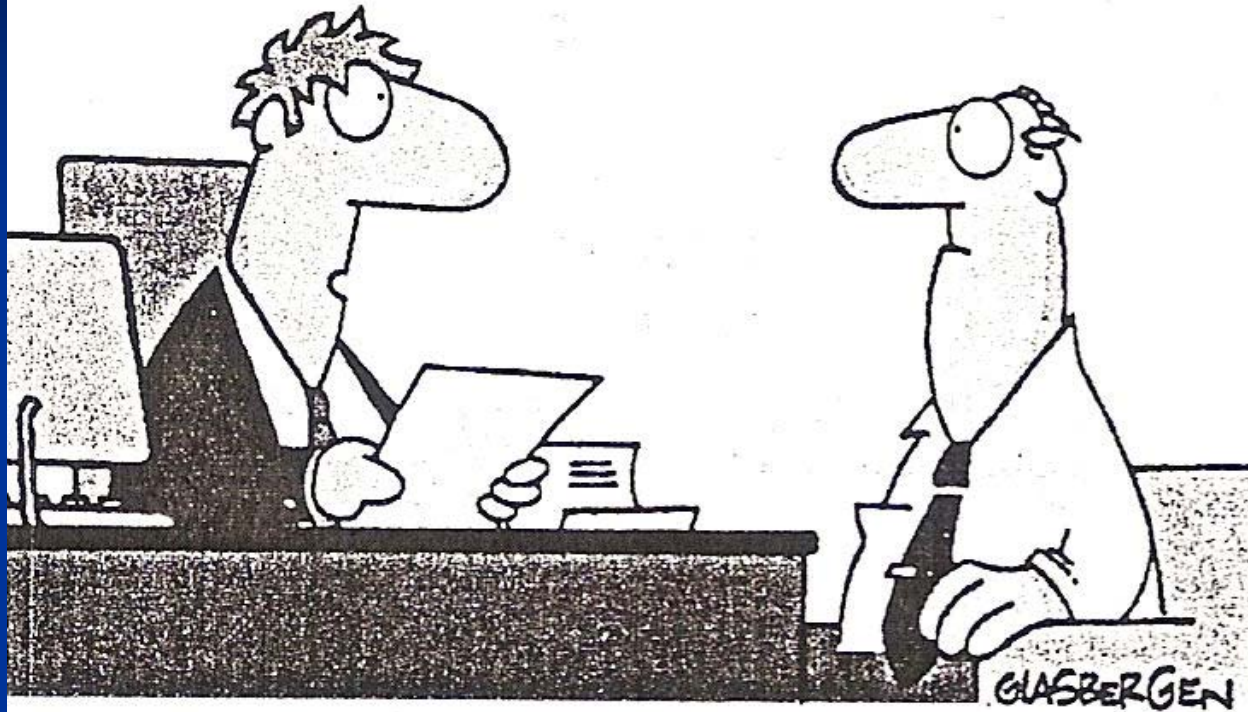
CONSIDER THE IMPACT OF WITHDRAWAL RATES ON A PORTFOLIO

NUMBER OF YEARS PORTFOLIO MAY LAST, BASED ON PERCENTAGE OF ASSETS WITHDRAWN EACH YEAR (90% CONFIDENCE LEVEL).



Source: Fidelity Investments. Hypothetical value of assets held in an untaxed portfolio of 50% stocks, 40% bonds, and 10% short-term investments with inflation-adjusted withdrawal rates as specified. Please refer to the Important Legal Information page for important information about the methodology used in this chart and index information. Historical annual data from 1926 through 2002 is from Ibbotson Associates: stocks, bonds, and cash are represented by S&P 500, U.S. Int. Government Bonds, and U.S. 30-day T-Bills. Average 3% inflation rate assumed (historical average from 1926 through March 2003 was 3.06%); actual inflation rates may be more or less. This chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results.

On The Money



“If you drank more, start smoking, gain fifty pounds, and take up some dangerous hobbies, you should have enough retirement money to last your whole life!”

Any Questions?

