Your Independence Number

The invested assets you need to live your ideal lifestyle for life. No paycheck required.

NAME _____ TARGET RETIREMENT AGE _____

PART 1 WHERE YOU ARE NOW

Your starting point

1 Your Net Worth (Not Including Your Home)

Add up what you own (cash, retirement accounts, investments, other real estate). Subtract what you owe (loans, credit cards). Leave your home and its mortgage out.

A $

2 Your Business Value

What would a buyer realistically pay for your business today? A conservative estimate is fine.

B $

3 Where You Are Now

Add **A + B**. This is your starting line.

C $

PART 2 WHAT YOUR LIFESTYLE WILL COST

Today's dream in tomorrow's dollars

4 Your Ideal Lifestyle (in Today's Dollars)

How much do you want to spend **each year** in retirement, after taxes? Think housing, travel, hobbies, giving. All of it.

D $ per year

5 Account for Taxes

Uncle Sam gets paid first. To keep D after a 25% retirement tax rate, multiply **D × 1.33**.

E $ per year

6 Adjust for Inflation

Count the years until you retire and circle the closest multiplier below. Then multiply **E × multiplier**. This is the income you'll need to generate.

Years to retire	5	10	15	20	25	30
Multiplier	1.18	1.41	1.67	1.98	2.36	2.80

Based on 3.5% average annual inflation.

E × _____ = F

F $ per year

PART 3 YOUR INDEPENDENCE NUMBER

What it takes to fund F for life

Your **distribution rate** is the percent of your investments you withdraw each year to live on. A lower rate is safer, so it takes more money. Multiply **F** by each number below.

4% CONSERVATIVE

F × 25 = *Top of your range*

G $

6% MODERATE

F × 17 = *Middle ground*

H $

8% AGGRESSIVE

F × 12.5 = *Bottom of your range*

I $

My Independence Number is between $ _____ (I) and $ _____ (G)

PART 4 YOUR WEALTH GAP

The distance between here and free

Subtract where you are now (**C**) from each end of your range. Since your current assets will keep growing too, your real gap may be smaller than this. Negative number? Congratulations. You're already there.

WEALTH GAP (HIGH END)

G - C = $

WEALTH GAP (LOW END)

I - C = $

Your gap isn't a verdict. It's a destination. Now let's chart the course.

For educational purposes only. Not tax, legal or investment advice. Assumes 3.5% annual inflation, a 25% retirement tax rate and the distribution rates shown. Your actual results will vary.