

Hitting the Ratios –

1:1, 2:1, & 3:1



One:One, Two:One, Three:One

Accumulating Money

Amount x Time x Return = Money Accumulated

Amount of
\$ your \$
return
annually

One:One

Amount of
\$ saved \$
annually

Assumptions for John and Mary Doe

- \$100,000 current life style need
- 3% inflation
- \$209,000 lifestyle future
- Start: age 35
- Finish: age 60
- Live until age 94
- Save \$42,000 annually
- 10% return
- Pile goal \$3,500,000

Savings Plan Projection

John and Mary Doe

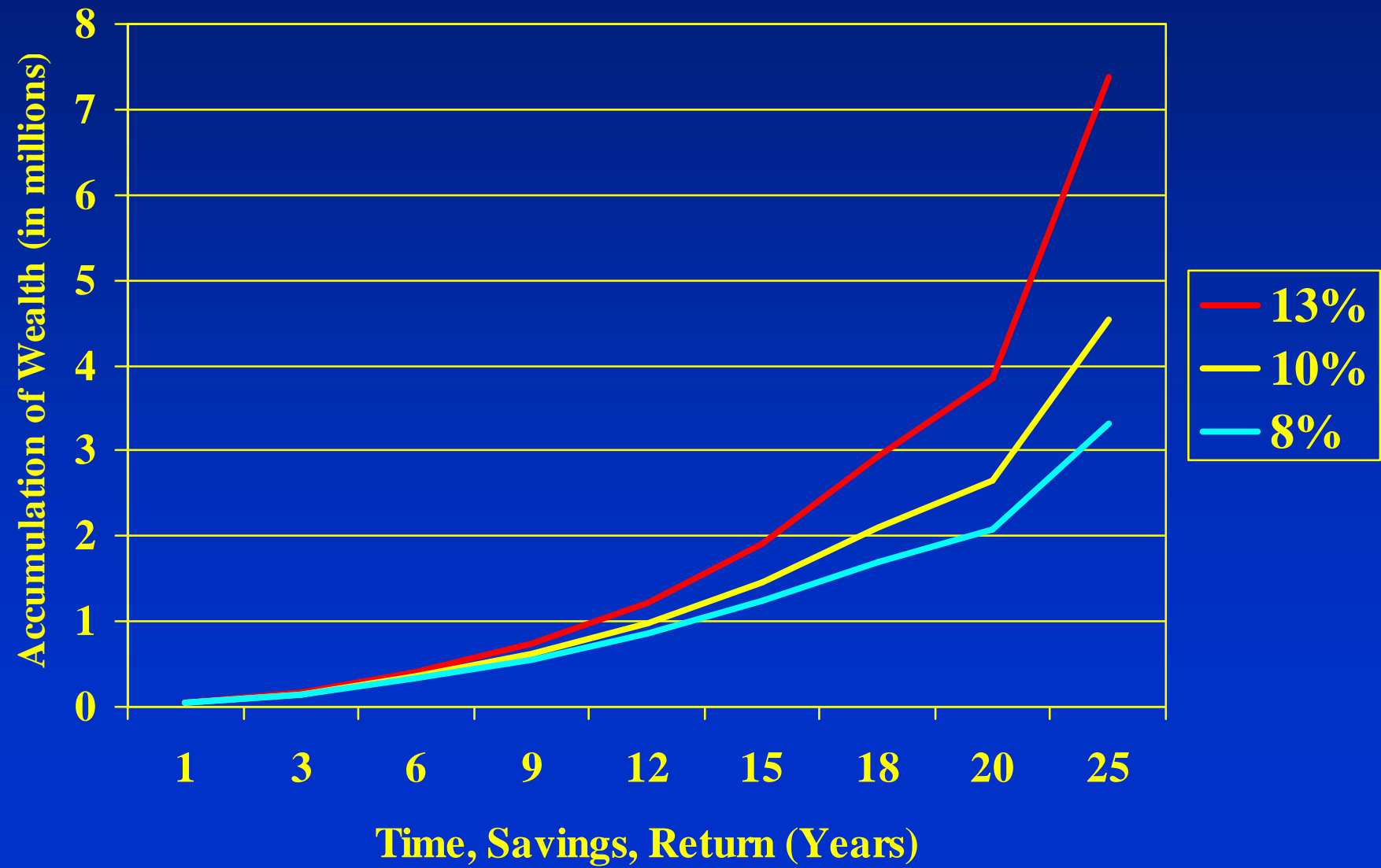
Year	Age	Annual Contribution	Cumulative Contribution	10% Annual	Cumulative Year End
2	36	\$42,000	\$84,000	\$8,820	\$97,020
4	38	42,000	168,000	19,492	214,414
6	40	42,000	252,000	32,406	356,461
8	42	42,000	336,000	48,031	528,338
10	44	42,000	420,000	66,937	736,309
12	46	42,000	504,000	89,814	987,954
14	48	42,000	588,000	117,495	1,292,444
16	50	42,000	672,000	150,989	1,660,878
18	52	42,000	756,000	191,517	2,106,682
20	54	42,000	840,000	240,555	2,646,105
22	56	42,000	924,000	299,892	3,298,807
24	58	42,000	1,008,000	371,689	4,088,576
25	59	42,000	1,050,000	413,058	4,543,634

Linear -vs- Geometric Progression of Money

	Year	Amount	Difference	Time	Save	Return	Total
1:1	8	15%	-17%	32%	\$336,000	\$192,000	\$528,000
2:1	12	28%	-20%	48%	504,000	484,000	988,000
3:1	15	41%	-19%	60%	630,000	838,000	1,468,000
4:1	17	53%	-15%	68%	714,000	1,159,000	1,873,000
5:1	19	67%	-9%	76%	798,000	1,566,000	2,364,000
6:1	21	84%	0%	84%	882,000	2,075,000	2,957,000
8:1	23	105%	+13%	92%	966,000	2,709,000	3,675,000
10:1	25	129%	+29%	100%	1,050,000	3,494,000	4,544,000

Wealth Accumulation

\$42,000/year at different growth rates



Illustrations of Wealth Accumulation

Annual Investment: \$42,000

Time/Years	8%	10%	13%
1	\$45,360	\$46,200	\$47,460
3	147,257	152,922	161,691
6	332,758	356,461	394,996
9	556,436	627,372	731,629
12	860,802	987,954	1,217,357
15	1,231,620	1,467,889	1,918,213
18	1,698,743	2,106,682	2,929,475
20	2,075,763	2,646,105	3,841,737
25	3,316,085	4,543,634	7,385,704



- Fee for service financial consultants specializing in long-term wealth accumulation planning
- Guide people to :
 - gain financial independence
 - properly diversify their portfolio
 - maximize portfolio efficiency
 - avoid taxes on income, death, and inflation