



A BULLETPROOF FUTURE PLAN FOR:

JANE & JOE JONES

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TERMS AND DEFINITIONS

- **Financial Independence** – the stage in one's life where their assets generate the income necessary to meet their financial needs and wants. One is "financially independent" when s/he may still choose to "work" but no longer must trade his/her time for income
- **BULLETPROOF Future Plan™** – a plan certain to provide the life-long income necessary to achieve financial independence
- **BULLETPROOF Future Planning™ Process** – the 6 step process we teach so those we help can develop a plan tailored to their goals and circumstances. See Page 4 of this document for details
- **The 6 Big Threats to Financial Independence™** – the six threats that can destroy one's plans and rob one of financial independence. See Page 5 of this document for details
- **Financial Surety Ranking** – the ranking method used by BULLETPROOF Future Planning to distinguish the three levels of financial comfort and autonomy one's plan is likely to provide. The three levels of financial surety are "Security," "Independence" and "Freedom"
- **Financial Security** – the most basic level of financial surety where one's housing, household and transportation expenses, and insurance are funded by their assets. In most cases, this ranking necessitates that the planner(s) continue trading their time for income to meet their entire financial needs. For the BULLETPROOF Future Planning™ Process, financial freedom is calculated as the annual income needed for the client to achieve financial independence multiplied by 0.60
- **Financial Independence** – the level of financial surety that most of the people we help hope to achieve. At this level, the income required to meet all the planner(s)' assets afford their financial needs, and they no longer need trade their time for income
- **Financial Freedom** – the level of financial surety that the most ambitious persons seek to attain. At this level, the planner(s)' assets provide income well beyond financial independence and, within reason, they are free to do and purchase just about anything they desire. For the BULLETPROOF Future Planning™ Process, financial freedom is calculated as the annual income needed for the client to achieve financial independence multiplied by 1.40

The BULLETPROOF Future Planning Process™



EDUCATION

the latest information, strategies and tools to make educated decisions



VISIONING

envision the desired future and clarify choices that are in line with the vision



REALITY

current financial reality based on assets and wealth generation potential



OPTIONS

what is financially possible and what actions are required to achieve the envisioned future?



PLANNING

build a plan that bridges between today and the desired after-work date

The 6 BIG THREATS TO A BULLETPROOF FUTURE™



ACKNOWLEDGEMENTS

Jane and Joe have done an outstanding job of accumulating wealth in anticipation of their retirement. This, coupled with the fact they are free of unsecured debt, has set them up well to develop and execute a BULLETPROOF Future Plan™.

OBJECTIVES

1. Provide Jane and Joe with a guaranteed income that will sustain their throughout their retirement years (based on the data provided by Jane and Joe, we assume an annual income of **\$100,000** is necessary to achieve financial independence)
2. Permit Jane and Joe to stop working in 2030
3. Keep Jane and Joe ahead of **inflation** by maximizing the growth of their investments
4. Protect Jane and Joe's income generating assets from **market instability** (losses)
5. Reduce the cost of Jane and Joe's investments by eliminating the **disproportionate fees** they are presently paying
6. **Maximize the benefits** Jane and Joe receive from the insurance they purchase
7. Reduce the **tax burden** Jane and Joe will experience during their after-work years
8. Assure Jane and Joe have a sufficient, **liquid cash** reserve so that they do not have to access their income generating assets in an emergency
9. Protect Jane and Joe's income generating assets in the event they experience a **serious illness or disability**
10. Determine when it is best for Jane and Joe to apply for Social Security benefits

ASSUMPTIONS

1. Jane and Joe adhere to this plan
2. Jane and Joe forgo present tax deferral credits to build tax-free assets
3. All calculations assume zero asset growth. If assets experience historical performance, annual income could increase as much as 20%, but this is not guaranteed
4. Jane and Joe currently have ~\$100,000 in Joe's employers stock program (ESOC), \$~10,000 in an emergency fund, and \$0 debt
5. Income amounts do not account for the equity Jane and Joe may have in their home(s), vehicles, or other property
6. Income amounts do not account for any **Social Security** or **Medicare** benefits that Jane and Joe might earn beginning at age 66

ASSET ALLOCATIONS AND INCOME ESTIMATES TABLE*

CURRENT STRATEGY		BULLETPROOF STRATEGY	
Asset Allocation	Estimated Income @ Age 60	Asset Allocation	Guaranteed Income @ Age 60
Jane's mutual fund	\$ _____/month	Reallocate to _____	\$ _____/month
Jane's Employer 401(k) balance (current employer)	\$ _____/month	If employer allows, reallocate to _____	\$ _____/month
Jane's annual contribution to her current employer 401(k) (matched up to 10% of Jane's income)	\$ _____/month	Contribute no more than the company will match	\$ _____/month
Jane's ROTH (anticipate contributing \$6.5K annually)	\$ _____/month	Reallocate to _____	\$ _____/month
Joel's company stock program (ESOC)	TBD in the Future	Continue managing stocks as is and develop a long-term strategy in line with retirement goals	TBD in the Future
Joe's 401(k) balance (current employer)	\$ _____/month	If employer allows, reallocate to _____	\$ _____/month
Joe's annual contribution to his current employer 401(k) (no match)	\$ _____/month	Discontinue contributions and reallocate those funds to _____	\$ _____/month
Joe's Brokerage Account (Fixed IRA)	\$ _____/month	Reallocate to _____	\$ _____/month
Joe's 401(k) balance from past employer #1	\$ _____/month		
Joe's 401(k) balance from past employer #2	\$ _____/month	Combine Joe's two past 401(k) account balances and reallocate into _____	\$ _____/month
	TOTAL: \$_____/month		TOTAL : \$_____/month
\$_____ Emergency Fund	\$_____ Debt	\$_____ Emergency Fund	\$0 Debt

*To be truly **BULLETPROOF** all figures must assume zero asset growth

BULLETPROOF FUTURE PLAN™ COMPARISON

Following their **current strategy**, Jane and Joe's income generating assets:

- are estimated and not guaranteed
- will likely "dry up" before they die
- are vulnerable to market instability (losses)
- are incurring disproportionate and unnecessary fees
- are vulnerable to future tax rate increases
- may not stay ahead of inflation
- are vulnerable to a serious illness or disability

Note: 50% of Americans experience a serious illness or disability by age 65. Senior American couples can expect to pay ~\$240,000.00 in out-of-pocket medical expenses beyond Medicare and supplemental coverage (AARP)

Once their **BULLETPROOF** plan is in place, Jane and Joe's income generating assets:

- will be exact and guaranteed for as long as they live
- isolated from market instability (losses)
- incurring only a 0.95% "guaranteed income fee" (accounted for the in the figures provided)
- protected against future tax rate increases
- more likely to keep ahead of inflation
- protected against serious illness or disability (living/death benefit)

JOE & JANE'S FINANCIAL SURETY RANKING - EXCELLENT

