

NOTE ON PERSONAL FINANCIAL PLANNING RETIREMENT PLANNING ANALYSIS

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What is the Financial Profile ? (What we have now?)

<i>Assets</i>	A	<i>Revenues</i>	R
Cash and liquid assets Investments Retirement assets Personal assets		Income from Employment Income from a Business Income from Property Capital gain Other income (ex: pension income)	
<i>Liabilities</i>	(L)	<i>Expenses</i>	(E)
Current Liabilities Long-term debts		Food Housing / Mortgage payments Utilities Transportation Medical Clothing Insurance Purchase of assets Education Recreation and vacation Savings and investment Taxes Fun money	
<i>Net worth</i>	NW	<i>Excess (Deficiency) of Revenues over Expenses</i>	EXC

Retirement Calculations

Funding period (x years)	Retirement period (y years)
Now	Retirement date Death

A) Excess Discretionary Cash Flow during Funding Period

	<u>Monthly \$</u>	<u>Annual \$</u>	
Total income	INC		1
Less: Income tax (marginal rate %)	(tax)		2
Income after tax	INCAtax		3
Less: Living expenses	(LE)		4
Excess annual discretionary cash flow (ECF)	<u>xx</u> x 12	<u>ECF</u>	5

B1) Retirement Goal

	<u>Monthly \$</u>	<u>Annual \$</u>	
Current living expenses	LE x 12	LEA	6
Adjusted level of living expenses (55%-75%)		ALEA	7
Estimated income tax at ___% to get ALEA (after tax)		IT	8
Gross income required to achieve retirement goal (ALEA + IT)		<u>GIR</u>	9

B2) Retirement Cash Flow

	<u>Present value</u>	<u>Future value</u>	
Current retirement capital	zPV >	zFV	10
Additional savings for retirement (% of ECF)	zPV >	<u>zzFV</u>	11
Retirement capital (ex: RRSP) at retirement date)		<u>RC-FV</u>	12
Retirement income from capital (RC-FV) at %		x ___%	(RIC) 13
Other retirement income (ex: OAS, CPP, RPP, employment, business, deferred income)		<u>(ORI)</u>	14
Excess (or shortfall) at retirement (GIR - RIC - ORI)		<u>ER / (SR)</u>	15