



What is “the number”?

***How much of what you own today will you consume during your lifetime?
Do your advisors know the number?***

Even those who have done extremely well in life can worry about the answer to the age old question – *how much is enough?* The nature of having amassed wealth doesn't insulate us from wondering if what we have will cover every contingency that life may present.

In addition, each individual's financial independence number is unique to their value systems and life experiences. If you've lived to see major economic downturns, your number may – as a result – be lower, or even higher. If you grew up experiencing or observing scarcity, this will likely have a profound impact on your very own very personal number.

Whether you're still building, or have chosen to slow it down a bit, having a solid financial independence figure can be extremely powerful. It frees you up to be more creative in your family wealth planning and your philanthropic endeavors. If you are still working, it represents your walk-away number. If business life begins to lack stimulation or energy, you know that you are completely set to indeed walk away and retire, sell or execute succession plans.



Arriving at a solid figure

Begin by modeling your burn rate. How much do you need after tax and adjusted for inflation to preserve your current lifestyle? Model these numbers at various rates of return. Next separate particular assets you hope to never sell. These might include a business, family properties such as real estate, or perhaps artwork or jewelry.

Then, in order to make the number real, build in contingency buckets. Consider potential future needs with regards to business opportunities, parents, children, health, travel or education. Make notes about the maximum you might consume in each area. The total of all three areas described here is your rock solid financial independence number.

Contact Information:

Raritan Plaza III
101 Fieldcrest Avenue
Edison, NJ 08837

Telephone: 732.510.1610

Facsimile: 732.510.1601

At the end of the day, your number may be a range, but increased clarity about it can lead to future opportunities. Perhaps you'll find yourself enjoying the passing of wealth during your lifetime, or seeing it do great things in your community while you're here to observe. Perhaps there truly is *safety in numbers*.

*If you have questions about this or other planning issues,
please give us a call.*

