

Financial Independence Equation Worksheet

Your definition of "Financial Independence": _____

Mike's definition of "Financial Independence": _____

Keywords

1. _____

2. _____

3. _____

4. _____

Financial Independence Equation Worksheet

Financial Independence Equation (FIE)

FIE = _____

FIE Example: _____

Parts of the Financial Independence Equation

1. _____

2. _____

Risk Tolerance: _____ C-ROI = Risk Tolerance / 5 = _____

3. _____

Example: _____

Financial Independence Equation Worksheet

Asset Accumulation Plan (AAP)

1. _____

2. _____

3. _____

Asset Accumulation Plan Equation Worksheet

	Investment	Time	ROI
Current Investment Balance	\$ -	\$ -	\$ -
Annual Investment	\$ 6,366	\$ 6,366	\$ 6,366
Number of Years Remaining	20.00	20.00	20.00
Asset ROI	15.00%	15.00%	15.00%
Income Producing Assets Goal	\$ 750,000	\$ 750,000	\$ 750,000

Financial Independence Equation Worksheet

AAP Equation Worksheet: Double Investment Amount

	Investment	Time	ROI
Current Investment Balance	\$ -	\$ -	\$ -
Annual Investment	\$ 6,366	\$ 12,732	\$ 12,732
Number of Years Remaining	20.00	15.46	20.00
Asset ROI	15.00%	15.00%	9.45%
Income Producing Assets Goal	\$ 750,000	\$750,000	\$750,000

Doubling the annual investment amount has the following effects on Time and ROI:

- Time: Reduces the required time by 23%.
- ROI: Reduces the required ROI by 37%.

AAP Equation Worksheet: Half the time

	Investment	Time	ROI
Current Investment Balance	\$ -	\$ -	\$ -
Annual Investment	\$ 32,120	\$ 6,366	\$ 6,366
Number of Years Remaining	10.00	20.00	10.00
Asset ROI	15.00%	15.00%	43.34%
Income Producing Assets Goal	\$ 750,000	\$750,000	\$750,000

Halving the investment time has the following effects on Investment and ROI:

- Investment: Increases the required investment amount by 400%.
- ROI: Increases the required ROI by 189%.

AAP Equation Worksheet: Double Asset ROI

	Investment	Time	ROI
Current Investment Balance	\$ -	\$ -	\$ -
Annual Investment	\$ 915	\$ 6,366	\$ 6,366
Number of Years Remaining	20.00	12.73	20.00
Asset ROI	30.00%	30.00%	15.00%
Income Producing Assets Goal	\$ 750,000	\$750,000	\$750,000

Doubling the ROI has the following effects on Investment and Time:

- Investment: Reduces the required investment amount by 86%.
- Time: Reduces the required time by 36%.