Financial Simulation Ideas and Examples

Multiple lines are provided to explore a variety of investments, rates of return, withdrawals, and one-time payments. Here are some ideas and examples.

- **Expected Rate of Return**: Simulate how being more aggressive prior to retirement and less after plays out over time. For example: Enter 6% in Amount, 2017 in Year From, and 2030 (retirement year) in Year To in the first row. In the second row enter 4%, Year From: 2031, Year To: 2046.

- **Annual Investments**: Simulate how a variety of annual investments i.e. 401k contributions, Roth IRA contributions. Change the values over time to see how they effect the results: For example: Enter annual contribution in Amount, 2017 in Year From and year of retirement in Year To. Increase or decrease the Amount to see how it changes the total at retirement.

- **Estimated % Tax on Gain**: This is a rough estimate only. If gains are all income and dividends you might use the short-term income rates. If little is sold and not much of the gain is income, the rate would be lower. For investments held more than one year in a taxable account, you might use your long-term capital gains rate. This is not required to have the program work.

- **One Time Investments**: One time gains, i.e. sale of a property, inheritance, sale of business or asset and the year expected to occur.

- **Inflation Rate**: Change the inflation rate to see how inflation affects the relative value of investments over time in the "Inflation Adjusted" column.

- **Annual Withdrawals**: Simulate how taking withdrawals for income from a retirement account affects the investment value over time. See what happens when $5000 is withdrawn annually from a $100,000 investment for 5 years and then increased to $6000 for the next 5 years. In the first row enter in Amount $5000, Year From 2017, Year To 2021. In the second row enter in Amount $6000, Year From 2022, Year To 2027.

- **Estimated % Tax on Withdrawals**: This is generally used to adjust withdrawals from tax-deferred accounts (i.e. IRA, 401K) to indicate the after tax "Net" amount that can be spent. You can use your effective tax rate as a good approximation for withdrawals from tax deferred accounts.

- **One Time Payments**: One time payments, i.e. pay off debt, balloon payment, buy a car or other asset.

Disclosures: LayLine Financial Simulator is for educational purposes and informational purposes only and should not be considered as individualized or personalized investment advice, a solicitation to sell or a recommendation of any particular security, plan, strategy or investment product. LayLine does keep information entered in the simulation, keep a copy of your work, you will need to start over each time you re-enter the simulation.

Simulations are subject to current and future changes in tax laws, estate laws, inflation, deflation, investment performance, market conditions, etc., therefore no representation is being made in the accuracy, completeness or reliability of the simulation to predict or be indicative of actual future results. LayLine Asset Management Inc is not responsible for the consequences of reliance on any information, analysis or other content contained in this simulation.

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