



















Financial Checkup

	Your Age Position							Your Financial Position		
	↓							↓		
Stage	Toddler	Childhood	Teenage Years	Building The Foundation	Early Accumulation	Rapid Accumulation	Financial Independence	Conservation	Distribution	Sunset
Transition Point	 Money is to eat	 Receives allowance	 Earn own money	 Becomes self-supporting	 Net worth more than annual income	 Investment earnings exceed savings	 Investment earnings = 50% or more of living costs	 Live off investment earnings + retirement pension	 Have more than you can spend in a life time	 Less than 12 months to live
Net Worth	n/a	n/a	n/a	Less than annual income	1 – 3x annual income	3 – 7x annual income	n/a	n/a	n/a	n/a
Investment Portfolio	n/a	n/a	n/a	n/a	n/a	n/a	7 - 10x annual living expenses	10 - 15x annual living expenses	More than 15x annual living expenses	n/a
Strategy	Concept: Don't eat money	Concepts: Accumulation, Convertibility, Relative value	Concepts: Budgeting, Earned income, Money makes money	Five fundamentals of fiscal fitness	Diversity into stocks and bonds	Focus risk and optimize tax efficiency	Start doing what you really like to do, Start business, Semi-retire, etc., Supplement earnings with investment income	Consolidation, Lower risk investments	Start giving money away - kids, charities, etc.,	Distribute assets, Reduce estate taxes, Viatical strategies
Typical Asset Allocation	n/a	n/a	n/a	75% Interest earning  25% Equities	50% Interest earning  50% Equities	40% Interest earning  60% Equities	50% Interest earning  50% Equities	60% Interest earning  40% Equities	75% Interest earning  25% Equities	n/a
Typical Age	0 - 5	6 - 12	13 - 19	20 - 30	30 - 40	40 - 55	55 - 70	70 - 85	85+	

 Your Financial Position is ahead of your Age Position

 Your Age Position

The Ten (10) Financial Stages of Life

The Cambridge Financial Life Cycle is a benchmark which divides your life into ten typical financial stages. There are specific wealth building strategies for each stage and financial ratios that mark the transition from one stage to the next. The most unreliable indicator on the Financial Life Cycle is the age range. People can spend 50 years stuck in a stage or skip it altogether. A divorce can move people backward and commitment to a financial plan can jump them forward. So don't be discouraged if you're "behind" and don't get too excited if you're "ahead".

