



Retirement Planning with Annual Available Spend

July 15, 2014

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Sound financial planning requires neither the determination of safe withdrawal rates nor the use of Monte Carlo simulations. Relying on the past to predict the future is unnecessary. Instead, one must focus on how much can be spent each year, given expected returns and inflation, and then consider how negative and worst-case scenarios would affect retirement planning. That is the basis for the annual available spend (AAS) methodology I describe here.

I developed the retirement-planning methodology and model described in this article to assist me with my retirement planning. I have been using this model for four years, and it provides with what I need to plan my retirement. I hope that others will also find it helpful.

My general investment philosophy is passive, following that of Jack Bogle, Bill Bernstein and Larry Swedroe. These individuals generally agree with Bernstein's caveat in the *Retirement Calculator from Hell, Part III: any estimate of long-term financial success greater than about 80% is meaningless*. Given this uncertainty, my approach relies less on science and more on judgment applied to a thorough understanding of the client's facts.

My initial focus was solely on my specific situation, so I was particularly careful to obtain all relevant and material information. Detailed focus on the specific client situation is essential. I have implemented the model in an Excel spreadsheet and have included examples from it.

General framework of methodology

Implementing the AAS requires a six-step procedure:

1. The advisor will work directly with the client to determine all parameters of his or her expected spending needs during retirement.
2. The advisor will obtain a complete analysis of all sources and types of the client's income. Each of these items will constitute a different column in the model. All items will be entered after tax, so it is necessary to have a full understanding of the client's income tax position.

3. Fundamental returns and inflation will be applied. A conservative year of death will be included. The model will then compute the base-case annual available spend – the amount that can be spent each year, with the value of the investment portfolio decreasing to zero in the year of death.
4. Negative and worst-case scenarios will be entered into the model. The scenarios chosen will be keyed to the specific situation of the client.
5. The AAS model can be set to automatically adjust for market value changes and recompute the base-case AAS. Cash and portfolio quantities can be updated monthly. The advisor must determine if and when the base case or negative assumptions should be revised.
6. The advisor will review the AAS scenarios with the client and evaluate the client's spending and investment plan on a periodic basis. Changes will be made as necessary and appropriate.

Let's look at each of those steps in more detail.

1. Spending needs

Determining the retirement spending needs of the client is, of course, a routine exercise in retirement planning. The client should keep a monthly record of expenditures, with or without a detailed budget. Large or exceptional items should be noted. As part of this methodology, income taxes should be eliminated from annual spending totals, since they are netted against income in the model. Of course, the more prior years included, the better the feel for required and discretionary spending. Consideration should also be given to unusual and contingent future expenditures.

Just as clients differ with regard to investment risk tolerance, they will differ with regard to spending tolerance. Some may feel very strongly about maintaining certain minimum living standards, while others may be much more flexible regarding their ability to cut back if the need arises. Attention to these and other behavioral issues is essential.

2. Income analysis

In order to properly evaluate the client's situation, it is necessary to obtain a full analysis of all types of client income – pensions, annuities, deferred compensation, Social Security, taxable investments, tax-deferred investments, Roth IRAs, required minimum distributions (RMDs), etc. Each of these items will be included in a separate column of the Excel model. Income taxes are netted against the various income items. The estimated taxes need not be precise, but they must be materially correct. It is necessary to compute both base tax and marginal tax. Make sure that the total differential between all items of gross income and after-tax income included in the model is materially the same as taxes computed using TurboTax or a similar application.

Program the model to properly source the income for spending from the appropriate pots of income. Typically, income will first come from deferred comp, pensions, annuities and Social Security, followed by RMDs, taxable investments or Roth and tax-deferred accounts.

3. Base-case AAS model

Following is an example simplified base-case AAS model:

Bill Example	SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)							
Annual Available Spend: computed base case or scenarios								
After-Tax Fixed Pension Income	60,000	(Each of these 5 variables can be changed. Press ctrl w after changes to compute new Annual Available Spend)						
A-T social security	30,000							
Inflation rate	2.5%							
Total Investments	400,000							
A-T Return on investment	4.0%							
AAS compute hotkey	Cntrl w						Actual Spend	85,000
							Base Case	88,439
Annual Available Spend	88,439							
		2.00%		Annual	Spend frm	Total	Investment	
Year	Pension	Soc Sec	Total Pens	spend	invstmnts	investments	return	
1	60,000	30,000	90,000	88,439	(1,561)	400,000	4.0%	
2	60,000	30,600	90,600	90,650	50	415,950	4.0%	
3	60,000	31,212	91,212	92,916	1,704	430,884	4.0%	
4	60,000	31,836	91,836	95,239	3,403	444,716	4.0%	
5	60,000	32,473	92,473	97,620	5,147	457,357	4.0%	
6	60,000	33,122	93,122	100,061	6,938	468,713	4.0%	
7	60,000	33,785	93,785	102,562	8,777	478,685	4.0%	
8	60,000	34,461	94,461	105,126	10,666	487,166	4.0%	
9	60,000	35,150	95,150	107,754	12,605	494,048	4.0%	
10	60,000	35,853	95,853	110,448	14,596	499,215	4.0%	
11	60,000	36,570	96,570	113,209	16,640	502,544	4.0%	
12	60,000	37,301	97,301	116,040	18,739	503,907	4.0%	
13	60,000	38,047	98,047	118,941	20,893	503,170	4.0%	
14	60,000	38,808	98,808	121,914	23,106	500,190	4.0%	
15	60,000	39,584	99,584	124,962	25,378	494,820	4.0%	
16	60,000	40,376	100,376	128,086	27,710	486,903	4.0%	
17	60,000	41,184	101,184	131,288	30,105	476,274	4.0%	
18	60,000	42,007	102,007	134,571	32,563	462,762	4.0%	
19	60,000	42,847	102,847	137,935	35,087	446,185	4.0%	
20	60,000	43,704	103,704	141,383	37,679	426,354	4.0%	
21	60,000	44,578	104,578	144,918	40,339	403,069	4.0%	
22	60,000	45,470	105,470	148,541	43,071	376,121	4.0%	
23	60,000	46,379	106,379	152,254	45,875	345,291	4.0%	
24	60,000	47,307	107,307	156,061	48,754	310,349	4.0%	
25	60,000	48,253	108,253	159,962	51,709	271,054	4.0%	
26	60,000	49,218	109,218	163,961	54,743	227,153	4.0%	
27	60,000	50,203	110,203	168,060	57,858	178,382	4.0%	
28	60,000	51,207	111,207	172,262	61,055	124,462	4.0%	
29	60,000	52,231	112,231	176,568	64,337	65,103	4.0%	
Assmd yr of death	30	60,000	53,275	113,275	180,982	67,707	(0)	4.0%

This model establishes a base case for a hypothetical client, Bill. In this example, all investments are included in a single column, and the model assumes Bill has a 50/50 stocks/bonds split. This simplified example does not include a column for tax-deferred investments or RMDs. Each type of after-tax income is included in a separate column. The three assumptions for the base case model are after-tax return on investment, inflation rate and year of death.

The model does not assume historical investment returns. Instead, it assumes the widely used "fundamental" returns that consider current market valuations. There is a broad general consensus regarding what these returns should be. For purposes of illustration, it is assumed that the equity-fixed real returns approximate 5% and 1%, respectively. This would result in combined nominal returns of 5.5% and roughly a 4% after tax return. The assumed inflation rate of 2.5% also represents an approximate, generally accepted current inflation rate. The model increases annual expenditures each

year by the inflation rate, and it increases the after-tax Social Security income by the inflation rate less 0.5%. If Bill is now 70, his assumed year of death will be age 100. Advisors will differ on which rates and ages to assume. A slight edge to conservatism in all assumptions is desirable. Tax effecting will vary depending on individual circumstances.

I then run an Excel macro that applies what-if analysis and goal-seeking to determine the amount Bill can spend each year, with the investments declining to zero in the assumed year of death. In this example, Bill's annual available spend is approximately \$88,000. We can now compare the base case AAS to the \$85,000 of spending needs. .

This and the next examples deal with a single individual and ignore the spouse. A later example will consider the surviving spouse situation.

4. Negative scenarios – The planning begins

The advisor has assembled the necessary information. Now, the planning begins. All will agree that computation of the base-case AAS cannot be the end product in itself. We must decide how to deal with sequencing of returns, black swans and the like.

There are various approaches to retirement planning. Many prefer approaches that are more actuarial or "scientific." All such approaches have validity, but considering the inherent uncertainty that cannot be overcome, my methodology relies on the knowledge and judgment of the advisor coupled with a detailed understanding of the individual client's situation.

Once we have our base-case AAS, we can factor in negative scenarios. This may seem to be an impossible task. There is always a worse worst-case scenario, until we get to the point where the Earth implodes and disappears into a black hole. Instead, we must attempt to come up with negative scenarios, including reasonable worst-case scenarios. We will look to the past – not to determine what event might happen, but to get a feel for the degree and scope of potential problems.

Any choice of negative or worst-case scenarios must be keyed to the client's specific situation. Worst-case market scenarios will not be particularly helpful for Bill, whose income is primarily from fixed pensions. In his case, increased inflation will be a much greater concern than market declines. William Bernstein discusses various types of risk in his recent book, *Deep risk: How History informs Portfolio Design*. Using Bernstein's terms, there are shallow risks, where market declines reverse in a relatively short time, and deep risks, where declines may never reverse or where there is high inflation or deflation.

Although seemingly difficult, it is possible to obtain a reasonable worst-case general consensus for such scenarios among financial advisors. For example, with respect to a reasonable worst-case market decline, we might start by suggesting a permanent 60% decline in equities, as occurred in Japan in 1990. Would a group of advisors reach general agreement that this example is too severe, or not severe enough? Could a broad general consensus be reached? I believe that it could.

Regardless of any consensus, the important task for the advisor is to pick various negative scenarios that are relevant and appropriate to the specific situation of the client. Following are three simple case

studies to illustrate this approach. In each of these, the market decline scenario assumes a 50/50 stocks/bonds split and that equities suffer an immediate permanent market decline of 60%. This results in an overall investment decline of 30%. In each case, it is assumed that the client rebalances to 50/50 immediately following the decline.

Bill's example: High percent of fixed income holdings

As can be seen from the base-case model run above, the majority of Bill's after-tax income comes from fixed pensions. Here, again, is the base-case summary:

Bill Example	SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)			
	Annual Available Spend: computed base case or scenarios			
After-Tax Fixed Pension Income	60,000	(Each of these 5 variables can be changed. Press ctrl w after changes to compute new Annual Available Spend)		
A-T social security	30,000			
Inflation rate	2.5%			
Total Investments	400,000			
A-T Return on investment	4.0%			
			Actual Spend	85,000
AAS compute hotkey	Cntrl w		Base Case	88,439
Annual Available Spend	88,439			

I selected two reasonable worst-case scenarios for Bill. One is the 30% permanent decline in investments discussed above. The second is an inflation increase from 2.5% to 5%. Each scenario was independently entered into the model and a revised AAS was computed. The inflation scenario inputs and AAS are shown below. The results of the two scenarios are shown in the box on the right:

Bill Example	SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)					
	Annual Available Spend: computed base case or scenarios					
After-Tax Fixed Pension Income	60,000	(Each of these 5 variables can be changed. Press ctrl w after changes to compute new Annual Available Spend)				
A-T social security	30,000					
Inflation rate	5.0%					
Total Investments	400,000					
A-T Return on investment	6.5%					
			Actual Spend	85,000		
AAS compute hotkey	Cntrl w		Base Case	88,439		
			Inflation 5%	77831		
Annual Available Spend	77,831		30% Inv decl	83331		
		4.50%	Annual spend	Spend frm investmnts	Total investments	Investment return
Year	Pension	Soc Sec	Total Pens			

In step one, we assumed that the advisor and client agreed to an actual spend of \$85,000. We can see from the market decline scenario result that even in the worst case, the impact on spending is not substantial, from \$88,000 to \$83,000. However the effect is much more severe in the inflation scenario, because of the fixed pension income.

In the inflation scenario, the model adjusts nominal rates of investment returns and Social Security increases in order to maintain real rates at the same level. This scenario shows a \$10,000 decline in AAS, with spending \$8,000 below the initial actual spend. Of course, any number of additional negative

scenarios is possible. There is no formula to deal with election of scenarios and analysis of their implications. This is up to the skill and judgment of the advisor.

Joe’s example: Moderately sized investment portfolio

Joe has a moderate portfolio of \$600,000, after-tax Social Security income of \$30,000 and no fixed pensions or other income. Following are the base-case summary and the worst case 30% permanent reduction in total investments summary:

Joe Example	SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)		
	Annual Available Spend: computed base case or scenarios		
After-Tax Fixed Pension inc	-	(Each of these 5 variables can be changed. Press ctrl w after	
A-T social security	30,000	changes to compute new Annual	
Inflation rate	2.5%	Available Spend)	
Total Investments	600,000		
A-T Return on investment	4.0%		
		Actual Spend	50,000
AAS compute hotkey	Cntrl w	Base Case	53,578
		Inv decl 30%	45,917
Annual Available Spend	53,578		
Joe Example	SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)		
	Annual Available Spend: computed base case or scenarios		
After-Tax Fixed Pension inc	-	(Each of these 5 variables can be changed. Press ctrl w after	
A-T social security	30,000	changes to compute new Annual	
Inflation rate	2.5%	Available Spend)	
Total Investments	420,000		
A-T Return on investment	4.0%		
		Actual Spend	50,000
AAS compute hotkey	Cntrl w	Base Case	53,578
		Inv decl 30%	45,917
Annual Available Spend	45,917	Decl & 10% ret yr 2-5	50,109

The investment decline scenario reduces Joe's AAS about \$8,000 below base case and \$4,000 below actual spend. Maybe Joe has little concern regarding spending and believes he could easily live on \$46,000. Maybe he has considerable concern and feels that \$50,000 is tight. In the latter situation, the advisor might explain the remote possibility of the worst case occurring and present alternative negative scenarios to Joe, as discussed below. Maybe the advisor will consider spending adjustments or investment changes. There are many ways this might play out between advisor and client. In such cases, the judgment of the advisor is much more important than the "science" of alternative approaches.

The investment decline scenario assumes a permanent 30% decline in total investments (60% in equities). This is intended to represent a reasonable worst-case scenario, since the decline is permanent. In the more typical case in which the losses reverse in subsequent years, the reduction in AAS would be much less severe. In Joe's case, if we assume that the after-tax investment return increases from 4% to 10% in years 2-5 following the decline (similar to the U.S. 2008 decline and recovery), Joe's AAS increases from \$46,000 to \$50,000.

Al’s example: More than enough assets

AI has a portfolio of \$3 million and is not excessive in his spending habits, with actual spending at \$110,000. He has only a moderate fixed pension, and his retirement income will be sourced primarily from his Social Security and investments. Following is AI's base case AAS model run:

AI Example SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)							
Annual Available Spend: computed base case or scenarios							
After-Tax Fixed Pension inc				10,000	(Each of these 5 variables can be		
A-T social security				30,000	changed. Press ctrl w after		
Inflation rate				2.5%	changes to compute new Annual		
Total Investments				3,000,000	Available Spend)		
A-T Return on investment				4.0%			
AAS compute hotkey				Cntrl w		Actual Spend	110,000
Annual Available Spend				162,960		Base Case	162,960
						30% Inv Decl	124,653
		2.00%		Annual	Spend frm	Total	Investment
Year	Pension	Soc Sec	Total Pens	spend	invstmnts	investments	return
1	10,000	30,000	40,000	162,960	122,960	3,000,000	4%
2	10,000	30,600	40,600	167,034	126,434	2,993,566	4%
3	10,000	31,212	41,212	171,210	129,998	2,983,310	4%
4	10,000	31,836	41,836	175,491	133,654	2,968,988	4%
5	10,000	32,473	42,473	179,878	137,405	2,950,343	4%
6	10,000	33,122	43,122	184,375	141,252	2,927,104	4%
7	10,000	33,785	43,785	188,984	145,199	2,898,989	4%
8	10,000	34,461	44,461	193,709	149,248	2,865,700	4%
9	10,000	35,150	45,150	198,551	153,402	2,826,927	4%
10	10,000	35,853	45,853	203,515	157,662	2,782,341	4%
11	10,000	36,570	46,570	208,603	162,033	2,731,602	4%
12	10,000	37,301	47,301	213,818	166,517	2,674,349	4%
13	10,000	38,047	48,047	219,164	171,116	2,610,206	4%
14	10,000	38,808	48,808	224,643	175,835	2,538,780	4%
15	10,000	39,584	49,584	230,259	180,674	2,459,657	4%
16	10,000	40,376	50,376	236,015	185,639	2,372,404	4%
17	10,000	41,184	51,184	241,916	190,732	2,276,568	4%
18	10,000	42,007	52,007	247,964	195,956	2,171,674	4%
19	10,000	42,847	52,847	254,163	201,315	2,057,226	4%
20	10,000	43,704	53,704	260,517	206,812	1,932,703	4%
21	10,000	44,578	54,578	267,030	212,451	1,797,560	4%
22	10,000	45,470	55,470	273,705	218,235	1,651,227	4%
23	10,000	46,379	56,379	280,548	224,169	1,493,107	4%
24	10,000	47,307	57,307	287,562	230,255	1,322,577	4%
25	10,000	48,253	58,253	294,751	236,498	1,138,982	4%
26	10,000	49,218	59,218	302,120	242,901	941,640	4%
27	10,000	50,203	60,203	309,672	249,470	729,836	4%
28	10,000	51,207	61,207	317,414	256,208	502,822	4%
29	10,000	52,231	62,231	325,350	263,119	259,815	4%
Assume yr death	30	10,000	63,275	333,483	270,208	0	4%

The base-case AAS of \$163,000 substantially exceeds the actual spend of \$110,000. This demonstrates that AI could, for example, gift approximately \$53,000 to heirs each year and not worsen his base-case financial position. The next item of note is the size of the estate available for heirs if AI does not live the full 30 years until age 100. At age 90, under the base case, AI's estate will approximate \$2 million. Now let's consider AI's worst-case scenario of a permanent 30% decline in investment assets:

AI Example SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)			
Annual Available Spend: computed base case or scenarios			
After-Tax Fixed Pension inc	10,000	(Each of these 5 variables can be	
A-T social security	30,000	changed. Press ctrl w after	
Inflation rate	2.5%	changes to compute new Annual	
Total Investments	2,100,000	Available Spend)	
A-T Return on investment	4.0%		
		Actual Spend	110,000
AAS compute hotkey	Cntrl w	Base Case	162,960
		30% Inv Decl	124,653
Annual Available Spend	124,653		

This methodology can be particularly helpful in situations in which the client has more than enough assets. Often, behavioral factors arise, and the client must be convinced that he or she can easily spend more. For example, AI can make substantial gifts to children or grandchildren without fear of a serious shortfall in the future. Even under the worst-case scenario of a permanent 60% decline in equities, AI's AAS will still be almost \$15,000 more than the actual spend. Assurances of 100% odds of success in meeting one's goals may be less convincing to AI than seeing the computations of how worst-case scenarios will still leave him with an AAS greater than his actual spend. The model is also helpful in demonstrating the minimal effect on AAS of increased one-time spending.

Bill's spouse example: pension reductions

The above examples do not consider the case of the spouse of the client. In those cases in which the primary sources of income are Social Security and investments, there should be little impact on one spouse if the other predeceases. In Bill's case, most of his income comes from fixed pensions. If we assume those pensions provide for a 50% survivor benefit on Bill's (H) death, the AAS will decline substantial for Bill's surviving spouse (W). Assuming Bill dies at age 85 and his spouse survives until age 100, here is the AAS of the spouse:

Bill Spouse Exmpl SIMPLIFIED ANNUAL AVAILABLE SPEND MODEL (For illustration purposes only)								
Annual Available Spend: computed base case or scenarios								
After-Tax Fixed Pension Income 1/2	30,000	(Each of these 5 variables can be changed. Press ctrl w after changes to compute new Annual Available Spend)						
A-T social security-surv spouse ben	31,000							
Inflation rate	2.5%							
Total Investments (year 15)	495,000							
A-T Return on investment	4.0%							
		H Dth yr15	Actual Spend	125,000				
AAS compute hotkey	Cntrl w	76% Base Case	94,482					
		73% 5% inflation	90,658					
Annual Available Spend	94,482	66% 30% inv declin	82,674					
		2.00%	Annual spend	Spend frm invstmnts	Total investments	Investment return		
Year	Pension	Soc Sec	Total Pens	Annual spend	Spend frm invstmnts	Total investments	Investment return	
16	30,000	31,000	61,000	94,482	25,378	495,000	4.0%	
17	30,000	31,620	61,620	96,844	35,224	479,576	4.0%	
18	30,000	32,252	62,252	99,265	37,012	461,747	4.0%	
19	30,000	32,897	62,897	101,746	38,849	441,368	4.0%	
20	30,000	33,555	63,555	104,290	40,735	418,288	4.0%	
21	30,000	34,227	64,227	106,897	42,671	392,349	4.0%	
22	30,000	34,911	64,911	109,570	44,659	363,384	4.0%	
23	30,000	35,609	65,609	112,309	46,700	331,220	4.0%	
24	30,000	36,321	66,321	115,117	48,795	295,673	4.0%	
25	30,000	37,048	67,048	117,995	50,947	256,554	4.0%	
26	30,000	37,789	67,789	120,944	53,156	213,660	4.0%	
27	30,000	38,545	68,545	123,968	55,423	166,783	4.0%	
28	30,000	39,315	69,315	127,067	57,752	115,703	4.0%	
29	30,000	40,102	70,102	130,244	60,142	60,189	4.0%	
W dies yr 30	30	30,000	40,904	70,904	133,500	62,596	0	4.0%

In Bill's base case AAS model run, we can see that in year 15, his actual spend increased to \$125,000 and his total investments increased to \$495,000. In actuality, after 15 years, Bill's situation is likely to change materially and might not resemble anything close to the above. However for initial planning purposes, it is necessary to follow the original plan to evaluate the relative effect on W in the event H predeceases.

In the above example, the spouse inherits the investments in year 16, but her Social Security is reduced to survivor benefits and pension income is cut in half to \$30,000. At Bill's death, their joint annual spend had increased to \$125,000, but spouse's new base case is \$94,000, or approximately 76% of the couple's actual spend. The high inflation scenario will not substantially change this, but the 30% investment decline scenario will result in an AAS decline to approximately 66% of the prior actual spend. Declines of AAS to 76% or even 66% might seem be acceptable to H and W, or they might consider this problematic. It is essential that the advisor explain the relative differences in AAS of the surviving spouse to the client and proceed as appropriate with the planning.

5. Continual updating and periodic review

The Excel model can be set to automatically update values of investments and recompute the base case AAS. Changes in quantity of investments and cash balances can be input monthly, together with updates to actual spend. The client with access to such a model will readily see that most market moves have relatively little impact on the AAS. Similarly, what may seem a large additional spend could barely budge the AAS. The base case inputs are generally conservative, so it may well be that the client observes a continual gradual increase in AAS, which may allay some market fears.

Once set up, the advisor can monitor the changes but typically will not need to adjust the model. Of course, very major market shifts, up or down, might occasion a revisit. The base case assumptions of expected returns, inflation and life expectancy would not require frequent revisions. Hopefully, given the conservative nature of these assumptions, changes will more often be for better than for worse.

6. The overall plan – Summary

This methodology does not attempt to develop a formulaic or scientific approach to retirement planning. Instead, it looks to obtain the best and most complete client information and then compute a base-case AAS using generally agreed-upon conservative fundamental returns, inflation and life-expectancy assumptions. The approach accepts the uncertainty of future returns. It does not attempt to apply historic patterns or statistics, nor does it attempt to assess probabilities of success through modeling sequencing of returns.

The advisor will need to select negative and worst-case scenarios that are most material and relevant to the client's situation. Presentation of a reasonable worst-case scenario is mainly to prepare the client for how bad it could be, in the context of AAS. The advisor will explain that there is a very low probability of the worst case occurring. The advisor may also wish to run less negative scenarios, like in the above Joe example.

The client should easily understand the model output, since the AAS scenarios can be compared directly with his actual spend. Joe is concerned with having enough and setting the right spending levels, Bill is concerned with inflation and reduced pension amounts available to his wife and Al may need to understand that he has the ability to spend more than at present.

Advisor investment advice is beyond the scope of this article. An advisor's recommended investments might range from passive to active, conservative to aggressive. The AAS modeling can play an important role in making these investment decisions and, importantly, explaining their impact to the client.

I have found this method to be very useful in my personal retirement planning, and I hope others will as well.

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