

Control your Future

Coast FIRE

FIRE is Financial Independence Retire Early
Coast is a type of FIRE

Power of Compound Interest

- <https://www.thecalculatorsite.com/finance/calculators/compoundinterestcalculator.php>
- Projections for savings of 100\$/500\$ per month and length of time, 10% is an average rate of return
- Past performance is not an indicator of future returns

\$100 per month, 30 years

Future investment value

\$228,032.53

Initial balance

\$100.00

Total interest earned

\$191,932.53

Additional deposits

\$36,000.00

Effective Annual Rate (APY)

10.471% 

\$500 per month, 30 years

Future investment value

\$1,140,162.66

Initial balance

\$500.00

Total interest earned

\$959,662.66

Additional deposits

\$180,000.00

Effective Annual Rate (APY)

10.471% 

What is Coast FIRE?

Coast FIRE is when you have enough in your retirement accounts that without any additional contributions, your net worth will grow to support retirement at a traditional retirement age.

$$\text{ASSETS} - \text{DEBTS} = \text{YOUR NET WORTH}$$

Coast FIRE Scenario

Annual spending in retirement				Savings required to coast to retirement (in thousand dollars)																
				walletburst.com																
\$100,000	318	351	387	426	470	518	571	630	694	765	844	930	1,026	1,131	1,247	1,374	1,515	1,671	1,842	2,031
\$95,000	302	333	367	405	446	492	543	598	659	727	802	884	974	1,074	1,184	1,306	1,439	1,587	1,750	1,929
\$90,000	286	316	348	384	423	466	514	567	625	689	759	837	923	1,018	1,122	1,237	1,364	1,503	1,658	1,827
\$85,000	270	298	329	362	399	440	485	535	590	650	717	791	872	961	1,060	1,168	1,288	1,420	1,565	1,726
\$80,000	254	280	309	341	376	414	457	504	555	612	675	744	820	905	997	1,099	1,212	1,336	1,473	1,624
\$75,000	238	263	290	320	352	388	428	472	521	574	633	698	769	848	935	1,031	1,136	1,253	1,381	1,523
\$70,000	223	245	271	298	329	363	400	441	486	536	591	651	718	791	873	962	1,061	1,169	1,289	1,421
\$65,000	207	228	251	277	305	337	371	409	451	497	548	605	667	735	810	893	985	1,086	1,197	1,320
\$60,000	191	210	232	256	282	311	343	378	416	459	506	558	615	678	748	825	909	1,002	1,105	1,218
\$55,000	175	193	213	234	258	285	314	346	382	421	464	512	564	622	686	756	833	919	1,013	1,117
\$50,000	159	175	193	213	235	259	286	315	347	383	422	465	513	565	623	687	758	835	921	1,015
\$45,000	143	158	174	192	211	233	257	283	312	344	380	419	461	509	561	618	682	752	829	914
\$40,000	127	140	155	170	188	207	228	252	278	306	337	372	410	452	499	550	606	668	737	812
\$35,000	111	123	135	149	164	181	200	220	243	268	295	326	359	396	436	481	530	585	645	711
\$30,000	95	105	116	128	141	155	171	189	208	230	253	279	308	339	374	412	455	501	553	609
\$25,000	79	88	97	107	117	129	143	157	174	191	211	233	256	283	312	344	379	418	460	508
\$20,000	64	70	77	85	94	104	114	126	139	153	169	186	205	226	249	275	303	334	368	406
Age	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60

0 to \$250k	\$250k - \$500k	\$500k - \$750k	\$750k - \$1M	\$1M - \$1.25M	\$1.25M - \$1.5M	\$1.5M +
-------------	-----------------	-----------------	---------------	----------------	------------------	----------

Calculated using an 8% growth rate of investments (worst-case), a 3% rate of inflation, a 3.5% withdrawal rate in retirement, and a retirement age of 67 years old

The lowest performing 35-year period of the S&P500 from its inception in 1926 produced an 8% annualized growth rate (1929 to 1964).

Coast FIRE Calculator

- Demo the calculator, <https://walletburst.com/tools/coast-fire-calc/>

Good Ideas

- Limit your debt
- Home mortgage payment should be no more than 25% of take home pay
- Total cars value should not exceed 50% of you gross annual income (most cars lose 70% of value during the first 5 years, buy a 5 year old Toyota)
- Total cars' value should not exceed 8% of your net worth
- Max out 401K (pay yourself first)
- Invest in zero cost index funds (fidelity and vanguard)

Why Do This?

- Reduce stress and anxiety about retirement
- Freedom to do something else
- Write your own story

Additional Information

- Dave Ramsey baby steps and study of millionaires, <https://www.youtube.com/watch?v=7wjuCgtL0yA>
- Coast FIRE information, <https://walletburst.com/coast-fire/>
- Coast FIRE calculator, <https://walletburst.com/tools/coast-fire-calc/>
- Coast FIRE reddit forum, <https://www.reddit.com/r/coastFIRE/>
- Mr money mustache blog, <https://www.mrmoneymustache.com/>
- <https://thefioneers.com/coast-fi-financial-independence/>
- Naval Ravikant thread on how to build wealth, <https://twitter.com/naval/status/1002103360646823936?lang=en>
- Scott Adams investment advice, <https://www.mattcutts.com/blog/scott-adams-financial-advice/>