

AI-03821 DIY Financial Planning Information List

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Tags	Investing
Created time	May 15, 2026 8:28 AM

ProjectionLab is a FIRE (Financial Independence / Retire Early) planning SaaS that models your financial life as a long-term simulation instead of a simple retirement calculator.

The reason it asks for highly itemized information is because FIRE planning is sensitive to timing, taxes, inflation, account types, market returns, healthcare costs, withdrawal sequencing, and lifestyle changes over decades.

Here's a breakdown of the major categories of information typically used and *why each matters*.

1. Personal Profile Information

These are foundational assumptions for the entire simulation.

1. Current age
2. Planned retirement age
3. Life expectancy target
4. Marital status
5. Number of dependents
6. State/country of residence
7. Inflation assumptions
8. Risk tolerance
9. Tax filing status

10. Expected major life changes

Why it matters

- FIRE projections are essentially “time until money depletion.”
 - A person retiring at 38 has a radically different projection than retiring at 62.
 - Taxes and healthcare differ heavily by state and marital status.
 - Dependents materially affect cash flow.
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2. Income Information

The software needs to understand:

- how money enters your system,
- how stable it is,
- and when it stops.

Typical inputs:

1. Salary
2. Bonus structure
3. Side income
4. Freelance income
5. Rental income
6. Pension income
7. Social Security estimates
8. RSUs / stock compensation
9. Dividends
10. Royalties
11. Expected raises
12. Future career changes

13. Expected unemployment periods

14. Passive income streams

Why it matters

FIRE math is fundamentally:

| Savings Rate × Time × Investment Growth

Income variability changes:

- contribution rates,
- tax brackets,
- sequence-of-return resilience,
- and withdrawal timing.

3. Expense Information

This is one of the most important FIRE inputs.

Common categories:

1. Housing
2. Utilities
3. Groceries
4. Transportation
5. Insurance
6. Healthcare
7. Entertainment
8. Travel
9. Childcare
10. Education
11. Debt payments

12. Subscription services
13. Gifts/charity
14. Emergency spending
15. Lifestyle creep assumptions

Why it matters

Your annual spending determines:

- FIRE number,
- withdrawal rate,
- portfolio survival,
- and risk tolerance.

Example:

- \$40k annual expenses at 4% SWR \approx \$1M target
- \$120k annual expenses at 4% SWR \approx \$3M target

Tiny recurring expenses compound dramatically over 40–50 years.

4. Asset Information

The platform usually tracks every major asset class separately.

Typical asset inputs:

1. Checking accounts
2. Savings accounts
3. Brokerage accounts
4. 401(k)
5. Roth IRA
6. Traditional IRA
7. HSA

8. Cash reserves
9. Real estate
10. Business ownership
11. Crypto
12. Precious metals
13. Stock options
14. RSUs
15. Pensions
16. College funds
17. Trust assets

Why itemization matters

Different accounts have:

- different tax rules,
- withdrawal ages,
- growth assumptions,
- liquidity,
- and penalties.

Example:

- Roth IRA contributions can often be withdrawn earlier.
- Traditional 401(k) withdrawals may trigger taxes + penalties before certain ages.
- Brokerage accounts create capital gains taxes instead of ordinary income taxes.

A simplistic calculator ignores this complexity.

5. Liability / Debt Information

Debt materially changes cash flow projections.

Typical entries:

1. Mortgage
2. Auto loans
3. Student loans
4. Credit card debt
5. HELOC
6. Personal loans
7. Business debt

For each:

- balance,
- interest rate,
- payoff schedule,
- minimum payment,
- refinancing assumptions.

Why it matters

Debt acts like a negative guaranteed return.

Example:

- Paying off 7% debt is mathematically similar to earning a guaranteed 7% return.

The software models:

- debt snowball/avalanche,
 - mortgage payoff timing,
 - and how debt elimination changes future expenses.
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6. Investment Assumptions

This is where FIRE becomes probabilistic instead of deterministic.

Common assumptions:

1. Expected stock returns
2. Bond returns
3. Inflation
4. Sequence-of-return risk
5. Asset allocation
6. Rebalancing rules
7. Cash drag
8. Volatility assumptions
9. Monte Carlo simulations
10. Bear market scenarios

Why it matters

Two portfolios with the same average return can have very different survival odds.

Example:

- Early retirement is extremely sensitive to bad returns in the first 5–10 years.

This is called:

Sequence of Returns Risk

7. Tax Information

Advanced FIRE tools model taxes in detail.

Common tax inputs:

1. Federal tax bracket
2. State tax rates

3. Capital gains rates
4. Qualified dividends
5. Pre-tax vs Roth contributions
6. Roth conversion ladder
7. Tax-loss harvesting
8. RMD assumptions
9. Social Security taxation
10. Healthcare subsidy cliffs

Why it matters

Taxes can become one of the largest lifetime expenses.

A good FIRE plan often focuses on:

- minimizing lifetime taxes,
- not merely maximizing returns.

Example:

A Roth conversion ladder can reduce taxes over decades if executed carefully.

8. Healthcare Information

This becomes critical for early retirees.

Inputs may include:

1. Employer insurance end date
2. ACA marketplace estimates
3. Medicare age
4. HSA contributions
5. Chronic medical assumptions
6. Long-term care assumptions

Why it matters

Healthcare is one of the biggest FIRE unknowns in the U.S.

Retiring at 38 means:

- potentially ~27 years before Medicare eligibility.
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9. Goal Planning

ProjectionLab supports event-driven modeling.

Examples:

1. Buy a house
2. Sell a home
3. College funding
4. Sabbatical
5. Starting a business
6. Moving countries
7. Having children
8. Caring for parents
9. Large travel goals
10. Legacy/inheritance goals

Why it matters

Real life is not linear.

Traditional retirement calculators assume:

- fixed income,
- fixed expenses,
- fixed retirement date.

Real humans do not behave that way.

10. Withdrawal Strategy Information

This is a huge FIRE topic.

Common strategies modeled:

1. 4% rule
2. Variable withdrawal
3. Guardrails strategy
4. Bucket strategy
5. Tax-optimized withdrawals
6. Roth-first or taxable-first sequencing
7. Bond tent strategy

Why it matters

How you withdraw money can determine whether:

- your portfolio survives,
- or fails 20–30 years later.

Psychological Reality Behind All This

FIRE software is not merely math software.

It is attempting to answer:

“Can this human sustain this lifestyle under uncertainty for decades?”

So the itemization exists because:

- humans have irregular lives,
 - taxes are complicated,
 - markets are volatile,
 - and retirement is dynamic.
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What Advanced FIRE Users Eventually Realize

Many experienced FIRE planners discover that:

- savings rate matters more than perfect optimization early on,
- but tax optimization and withdrawal sequencing matter enormously later.

Early phase:

1. Increase income
2. Control lifestyle inflation
3. Invest consistently

Late phase:

1. Tax efficiency
2. Sequence risk management
3. Healthcare planning
4. Withdrawal optimization
5. Estate planning

become increasingly important.

Simplified Mental Model

ProjectionLab is essentially trying to simulate:

1. Your earning engine
2. Your spending engine
3. Your investment engine
4. Your tax engine
5. Your life events
6. Your risk exposure

7. Your withdrawal behavior
8. Your longevity risk

over a 40–60 year timeline.

That's why the software asks for surprisingly detailed information.

Simplify and curate and scale down the list for an early retiree in 2021. Keep it simple and clear so that it is easier to answer and fill in.

Simplified FIRE Projection Checklist (Early Retiree Version)

For someone pursuing early retirement around 2021-style FIRE planning, you can reduce the massive data collection into a smaller set of practical categories.

The goal is not “perfect prediction.”

The goal is:

1. Estimate how much you need
2. Estimate when work becomes optional
3. Stress-test whether your plan survives bad markets

You can simplify the entire process into **10 core sections**.

1. Basic Personal Timeline

Only collect:

1. Current age
2. Target retirement age
3. Expected lifespan assumption
4. Married or single
5. Kids or dependents

Why this matters

This defines:

- how long money must last,
- household size,
- and spending horizon.

Example

- Age: 38
 - FIRE age: 42
 - Planning until: 90
 - Married: Yes
 - Dependents: 1 child
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2. Annual Spending

This is the most important number in FIRE.

Use:

1. Essential spending
2. Lifestyle spending
3. Total annual spending

Keep it simple

Category	Annual
Housing	\$18,000
Food	\$9,000
Transportation	\$4,000
Insurance/Healthcare	\$8,000
Utilities/Phone	\$3,000
Travel/Fun	\$6,000

Category	Annual
Misc	\$5,000

Total:

- ~\$53,000/year

Why this matters

Your FIRE target is mostly based on spending.

A common estimate:

$\text{FIRE Number} \approx 25 \times \text{Annual Spending}$

Example:

- \$50k spending → ~\$1.25M portfolio
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3. Current Net Worth Snapshot

Only track major buckets.

Assets

1. Cash
2. Brokerage investments
3. Retirement accounts
4. Real estate equity
5. Other major assets

Debts

1. Mortgage
2. Car loans
3. Other debt

Example

Item	Amount
Cash	\$40k
Brokerage	\$450k
401(k)/IRA	\$320k
Home Equity	\$180k
Total Assets	\$990k

Debt:

- Mortgage: \$140k

Net Worth:

- ~\$850k
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4. Savings Rate

Simple version:

1. Annual income
2. Annual spending
3. Annual investing amount

Then calculate:

$$\text{Savings Rate} = \frac{\text{Income} - \text{Expenses}}{\text{Income}}$$

Why this matters

Savings rate is one of the strongest predictors of FIRE speed.

5. Income Sources

Only include major recurring income.

Active

1. Salary

2. Side hustle

Passive

1. Dividends
2. Rental income
3. Pension

Example

- Salary: \$120k
 - Side income: \$10k
 - Dividends: \$4k
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6. Investment Allocation

Keep this very high level.

Asset Type	%
Stocks	80%
Bonds	15%
Cash	5%

That's enough for most projections.

7. Retirement Accounts

Only track:

1. Taxable brokerage
2. Roth accounts
3. Traditional retirement accounts
4. HSA

Why this matters

Different accounts have different withdrawal rules and taxes.

8. Healthcare Plan

Especially important for early retirees.

Just answer:

1. ACA marketplace?
2. Employer retiree insurance?
3. COBRA temporarily?
4. Estimated annual healthcare cost?

Simple estimate:

- \$8k–\$20k/year household
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9. Big Future Events

Only include major planned changes.

Examples:

1. Sell home
 2. Move states
 3. College funding
 4. Large inheritance
 5. Parent care
 6. Part-time work later
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10. Withdrawal Strategy

Keep this simple initially.

Most early retirees start with:

1. 4% Rule
2. 3.5% Rule for conservative planning

Core formula:

$$\text{Portfolio Needed} = \frac{\text{Annual Expenses}}{\text{Withdrawal Rate}}$$

Example:

- \$50k spending
- 4% withdrawal

Result:

- ~\$1.25M portfolio target
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Minimalist FIRE Data Set

If you wanted the *absolute minimum* useful inputs:

1. Current age
2. Retirement age target
3. Current investments
4. Annual spending
5. Annual income
6. Annual savings
7. Asset allocation
8. Debt balance
9. Healthcare estimate
10. Expected withdrawal rate

That alone gets you ~80% of the value.

What Most FIRE Veterans Learn

Early on:

1. Savings rate dominates
2. Income growth matters
3. Consistency matters more than optimization

Later:

1. Taxes matter more
 2. Healthcare matters more
 3. Withdrawal sequencing matters more
 4. Market volatility matters more
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Simple Philosophy

A simplified FIRE projection is really answering only 4 questions:

1. How much do I spend?
2. How much do I own?
3. How fast am I adding investments?
4. Can my portfolio survive long-term withdrawals?

Everything else is refinement.