How Much Faster Can I Retire With Geographic Arbitrage?

1. What is your net monthly income?
   $_____

2. Calculate your current yearly household expenses (this includes everything essential to your life functioning like rent, insurance, food, personal care, etc). Let's break it down monthly first. Fill in the appropriate monthly cost of each of the following items that apply to you.

   Rent/Mortgage $_____   Groceries $_____

   Health Insurance $_____   Childcare $_____

   Auto Insurance $_____   Pet Supplies $_____

   Utilities (electricity, water, internet,

   cell phone, etc.) $_____   Personal Care $_____

   Gas $_____   Miscellaneous (medical, clothing, etc) $_____

   Car Payment $_____   Eating Out $_____

   Total Monthly Household Expenses (Cost of Living) $_____

3. Take the total monthly household expenses value you found in question 2 and multiply for the year.

   Total Monthly Household Expenses $_____ x 12 = Total Annual Household Expenses $_____

4. What portion of your net monthly income do you contribute to retirement savings (401k, IRA, etc)?

Monthly Contribution to Retirement Savings (Include employer match if applicable): $_____

5. Calculate how much you need to save for retirement. Use the value calculated in question 3. Use whichever retirement calculation applies to you.

   Retirement period of about 30 years: Use a **4%** withdrawal rate (100÷4=25)

   Annual Household Expenses $_____ x 25 = $_____ to retire

   Early Retirement (over 30 years): Use a **3.3%** withdrawal rate (100÷3.3=~30)

   Annual Household Expenses $_____ x 30 = $_____ to retire

6. Now let's calculate how long it will take you to save up what you need to retire. Take the value found in question 6 and divide it by your monthly retirement contributions from question 4.

   Money Needed To Retire $_____ ÷ Monthly Retirement Contributions $_____ = _____ years

7. Choose a city from our list of 15 Cool Places Where The Cost Of Living Is Significantly Lower Than In The U.S that you'd be interested in living in.

   City _____   Cost of Living $_____ per month

   Calculate your cost of living savings. Subtract the value above from the value found in question 2.

   Monthly Household Expenses Now $_____ - Monthly Household Expenses in New City $_____ =
   $_____

You can now contribute that difference to your retirement savings each month.

8. Take your new retirement contribution amount and calculate how long it will take you reach retirement using geographic arbitrage.

Money Needed To Retire (question 5) $_____ ÷ New Monthly Retirement Contribution $_____ = _____ years

*This should let you know how much time you will save using geographic arbitrage when saving up for retirement. This is assuming you are saving up for your retirement needs in a higher cost of living area. If the idea of making a permanent move overseas appeals, you can use the monthly cost of living from question 8 and use it to calculate your new lower retirement amount using the metrics in question 5.