



## Prioritize the Use of Liquid Assets with InsMark's Wealthy and Wise®

### Prioritize the Use of Liquid Assets

Each item under the “Use of liquid assets” in the image below is how Wealthy and Wise determines the calculation logic of your client’s liquid asset data. The choice with the red circle generally produces the most efficient use of liquid assets. Be sure that each prompt in a given Workbook is consistent (unless you want different calculation logic from scenario to scenario). You must click “Maximize Net Worth” (outlined with a red box below) for the System’s algorithm to take effect.

Use Check Results (also outlined with a red box below) to determine the effect of your selection on net worth quickly.



The four thumbtacks provide you with additional information.

Client Workbook Edit Tools Options Help

Preliminary Data Desired Cash Flow Expected Cash Flow Retirement Plan Assets Liquid Assets Illiquid Assets Other Assets Gifts and Gift Tax Illustration Details Report Selections Done

Excess Cash Flow and Reinvestment Options Prioritize the Use of Assets Estate and Gift Transfer Taxes Charitable Bequests Custom Paragraph Cancel

Help

Preview

Print...

Check Results

**Use of liquid assets**

How would you like to fund your client's cash flow and gifting needs?

- ☒ Use one liquid asset at a time as necessary (using them sequentially)
- ☐ Income/growth first, then principal as needed (using them sequentially)
- ☐ Draw cash flow from all liquid assets proportionally so that each asset's ratio to the total of all assets stays approximately the same.

Note: As an example of the proportional selection, let's say your Taxable account is 25% of all your liquid assets. The beginning of year withdrawal from the Taxable account will be 25% of the cash flow needed that year and the Taxable account will continue to be 25% of all your liquid assets, i.e., PRIOR TO the application of interest and fees. Be careful that you don't use the year end value of the account to confirm the ratios because interest and fees are applied to liquid asset accounts after cash flow is withdrawn and this changes the year end ratio of each liquid asset to the total of all liquid assets.

**Withdrawal order of liquid assets**

Draw needed cash flow from liquid assets in the following descending order:

First Tax Exempt account @ 3.00%  
Equity account @ 7.00%; 2.00%  
Defined Contr. Plan (Harvey Pierce, MD) @ 7.00%

to

Last

Why It Can Take So Long To Calculate

Maximize Net Worth

Suggestions For Decreasing Calculation Time

To reposition a liquid asset, highlight the liquid asset and use the arrow keys to move it up or down. Drag and drop also works here.

Note: If you have selected to either schedule withdrawals or use level after tax withdrawals for any of your liquid assets, those assets will not appear in this list.

[Click here](#) to review Blog #104 by Bob Ritter (InsMark's President, CEO, and Founder). It includes a video that examines Good Logic vs. Bad Logic® as it relates to the best order of liquidating assets for the most efficient, after-tax, retirement cash flow.

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