Complete Guide

FIRE Number Calculator Kit: Know Exactly When You Can Retire Early

FIRE planning starts with a few formulas that are simple enough to remember and powerful enough to shape decades of decisions. Your FIRE number is annual expenses multiplied by 25 under the 4% rule framework, and your savings rate is income minus expenses divided by income. Once you know those two numbers, you can estimate whether you are on a Lean FIRE, regular FIRE, or Fat FIRE path and how many years of work remain under different assumptions.

1. Foundation

A FIRE calculator is useful because it makes tradeoffs visible. If annual expenses are $35,000, Lean FIRE suggests a target around $875,000; if expenses are $60,000, regular FIRE points around $1.5 million; and if expenses exceed $100,000, Fat FIRE usually starts around $2.5 million or higher. Savings rate also compresses time dramatically: at roughly a 30% savings rate, the journey may take about 28 years; at 40%, about 22; at 50%, about 17; at 60%, around 12; and at 70%, about 8.5, assuming something like a 7% real return. Withdrawal rate matters too. A 4% starting withdrawal has historically shown roughly a 95% success rate over 30-year periods, while 3.5% moves closer to about 99%. Those are historical guides, not promises, especially because sequence-of-returns risk makes the first five to ten years of retirement unusually important. The kit exists to help you run those numbers instead of guessing from internet slogans.

FIRE number table. Calculate annual spending and multiply by 25, 28.6, and 33.3 to compare 4%, 3.5%, and 3% withdrawal assumptions. Seeing all three at once gives you a range instead of a single false-precision answer. That range is often the difference between anxious planning and realistic planning. A range invites better decisions than one magic number.

Savings-rate timeline chart. Use your current savings rate to estimate time to FI, then model what happens if you raise the rate by five or ten points. A jump from 30% to 40% can cut years off the plan. The chart reveals whether you need more income, lower expenses, or simply patience. Timeline awareness changes behavior.

Sequence-risk worksheet. Model how a bad market in the first decade of retirement affects sustainability. This helps you decide whether you want a larger cash buffer, a lower initial withdrawal rate, or a one-more-year cushion before leaving work. Sequence risk is the main reason two portfolios with the same average return can produce very different retirement outcomes. Ignoring it is one of the most common FIRE mistakes.

2. Step-by-Step System

1

Calculate spending carefully because the whole FIRE plan sits on that number

Use actual annual expenses, not a wishful future guess, to set the baseline. Include taxes, housing, food, transportation, insurance, travel you truly intend to keep, and any recurring support for family. For people targeting early retirement, healthcare often needs extra attention because employer coverage will disappear before Medicare. If the spending number is understated, the entire FIRE number will be understated too. Expense accuracy matters more than portfolio optimism.

2

Set a FIRE target range instead of a single brittle target

Multiply annual spending by 25 for a base 4% rule target, then by 28.6 and 33.3 for more conservative 3.5% and 3% scenarios. This shows what extra margin costs in dollars. For example, $50,000 of annual spending implies about $1.25 million at 4% and about $1.43 million at 3.5%. That difference can inform whether you want one more year of work or a slightly lower spending plan. Ranges create optionality and calm.

3

Measure savings rate because it tells you more than income alone

Use the formula (income minus expenses) divided by income, then watch how that rate changes over time. A household earning $120,000 and spending $60,000 has a 50% savings rate, while a household earning $250,000 and spending $200,000 has only 20%. The second household may feel richer day to day, but the first may reach FI much sooner. This is why FIRE math is so humbling and so clarifying. Savings rate turns lifestyle choices into timeline consequences.

4

Translate your savings rate into an approximate years-to-FI estimate

Use a table or calculator to estimate the time to FI under a reasonable real-return assumption such as 7%. At roughly 30% savings, think around 28 years; 40%, around 22; 50%, around 17; 60%, around 12; and 70%, around 8.5. These are rough guides, but they help you see whether you need a dramatic change or simply a disciplined continuation. If your timeline feels too long, your levers are straightforward: spend less, earn more, or both. The calculator gives urgency a shape.

5

Stress-test withdrawal rates, taxes, and healthcare instead of trusting the base case

Run the plan at 4%, 3.5%, and 3% starting withdrawals. Then add expected taxes, ACA premiums or other healthcare costs, and any discretionary spending that may rise once work disappears. The point is to avoid a FIRE number that works only in the most flattering scenario. Many people discover they do not need a dramatically larger portfolio; they simply need to model healthcare and taxes honestly. A stress-tested plan is much more useful than an aspirational one.

6

Respect sequence risk and build margin for the first decade

The early years of retirement matter disproportionately because withdrawing from a falling portfolio can permanently damage sustainability. That is why some people retire with a one- to three-year cash buffer, a lower initial withdrawal rate, part-time income, or a rule to cut spending in down markets. Flexible spending can extend portfolio life substantially because it reduces withdrawals when the portfolio is weakest. Sequence risk does not mean the 4% rule is useless; it means the first decade deserves extra humility. A strong FIRE plan has guardrails, not just optimism.

3. Key Worksheets & Checklists

Use the setup worksheet to capture the numbers and rules that drive FIRE number ranges, timeline math, and sequence-of-returns protection. The checklist turns the guide into a concrete sequence, and the 30-day tracker puts real deadlines under the most important actions. Fill them out in that order so you leave with a written target, an implementation plan, and a next review date.

1. Setup Worksheet

Annual spending	Use actual recurring annual expenses including taxes and healthcare assumptions relevant to your retirement design.
FIRE range	Calculate spending × 25, × 28.6, and × 33.3 for 4%, 3.5%, and 3% withdrawal frameworks.
Savings rate	Use (income minus expenses) ÷ income and record the current percentage plus a stretch percentage.
Timeline estimate	Write the approximate years to FI at your current savings rate and at a higher savings-rate scenario.
Sequence buffer	Decide what margin you want: extra portfolio size, a cash reserve, part-time work, or flexible spending rules.

2. Execution Checklist

- Calculate annual spending honestly.
- Model FIRE targets at multiple withdrawal rates.
- Measure current savings rate.
- Estimate years to FI at current and improved savings rates.
- Add healthcare and tax assumptions to the plan.
- Write sequence-risk guardrails before declaring the target complete.

3. 30-Day Tracker

Window	Action	Evidence Complete
Week 1	Calculate annual expenses and baseline FIRE range.	4%, 3.5%, and 3% targets written down
Week 2	Compute savings rate and years-to-FI estimate.	Current and stretch timeline completed
Week 3	Add healthcare, tax, and withdrawal stress tests.	Adjusted FIRE target range saved
Week 4	Choose sequence-risk guardrails and implementation plan.	Cash buffer or spending-rule policy documented

4. Common Mistakes

Using fantasy retirement spending

If future expenses are understated, the portfolio target will be too low.

Treating 4% as a guarantee

It is a historical rule of thumb, not a contractual promise.

Ignoring healthcare and taxes

These costs can be a large part of the gap between a neat spreadsheet and a workable reality.

Pretending sequence risk will take care of itself

The first decade needs explicit guardrails, not vague confidence.

5. Next Steps

A good FIRE calculator does not just spit out a number; it tells you what levers actually matter. Once you know the spending target, savings rate, and guardrails, the path becomes far more mechanical.

- Update the FIRE range whenever your recurring annual spending changes materially.
- Track savings rate monthly or quarterly to keep the timeline honest.
- Revisit healthcare assumptions every year before retirement.
- Add more margin if the first decade of withdrawals still looks fragile.

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