



Scan to use the Freedom Number GPT

My Current Assets

Retirement Investment Accounts		
401k	\$	<input type="text"/>
IRAs (Traditional, Roth, Self Directed)	\$	<input type="text"/>
Health Savings Account	\$	<input type="text"/>
Coverdell or 529 Plan (Education)	\$	<input type="text"/>
Defined Benefit Plan	\$	<input type="text"/>
Cash Balance Plan	\$	<input type="text"/>
Other (Precious Metals, etc.)	\$	<input type="text"/>
Non-Retirement Financial Investments		<input style="float: right;" type="text" value="+"/>
<i>(Stocks, bonds, mutual funds, annuities, REITs, cash-value life insurance)</i>		
#1	\$	<input type="text"/>
#2	\$	<input type="text"/>
#3	\$	<input type="text"/>
Cash Assets <i>(Cash or highly liquid assets)</i>		<input style="float: right;" type="text" value="+"/>
CD (6 months or less maturity)	\$	<input type="text"/>
Money Market Account	\$	<input type="text"/>
Checking/Savings/Physical Cash	\$	<input type="text"/>
Investment Real Estate Equity (Equity = current market value, minus loans)		<input style="float: right;" type="text" value="+"/>
<i>(Equity of rental properties, commercial real estate, office building, etc.)</i>		
#1	\$	<input type="text"/>
#2	\$	<input type="text"/>
Other Under-Utilized Real Estate Equity		<input style="float: right;" type="text" value="+"/>
Equity in primary residence	\$	<input type="text"/>
Additional residences (vacation homes, etc.)	\$	<input type="text"/>
Lifestyle Equity <i>(Boats, luxury cars, etc.)</i>		<input style="float: right;" type="text" value="+"/>
#1	\$	<input type="text"/>
#2	\$	<input type="text"/>
Practice Valuation <i>(Only include if you desire to exit practice in the next 3-5 years)</i>		<input style="float: right;" type="text" value="+"/>
Approximate valuation of your primary practice	\$	<input type="text"/>
Valuation of additional practices (if applicable)	\$	<input type="text"/>
		<input style="float: right;" type="text" value="="/>
My Potential Investing Capital		\$ <input type="text"/>

Reverse Engineering the Capital Required to Produce Your Lifestyle Cash Flow

Your goal is to determine how much capital is needed to generate the cash flow that supports your life — without relying on work.

1. Calculate Your Required Income

Use the *My Freedom Number* worksheet to calculate your *Required Annual Passive Income*.

Required Annual Passive Income: \$_____

2. Required Income Yield

Now determine the realistic income yield your capital can produce. Use the rate that reflects how your money will actually be deployed — not an optimistic projection.

Examples:

- 5% = Conservative income from diversified real assets
- 7% = Moderate income strategy
- 9% = Higher-yield, actively managed approach

Chosen Income Yield: _____ %

3. Ideal Asset Number

Required Annual Income ÷ Income Yield = Required Capital

Calculation: \$_____ ÷ _____ = \$_____
(Required Annual Income) ÷ (Income Yield) = (Required Capital)

This is how much capital you will need to generate the cash flow that supports your life - without relying on work.



PRACTICE VALUE SELF-SCORING WORKSHEET

Purpose: Estimate where your practice likely falls in the market by scoring how transferable and sustainable it is for a future buyer.

Instructions:

1. Circle or highlight the score that best describes your practice.
2. Add all points together.
3. Match your score to the valuation range at the end.

1. Financial Health

Overhead:

≤60%	61–65%	66–70%	71–75%	>75%
5	4	3	2	1

Collections Trend:

<i>Growing</i>		<i>Stable</i>		<i>Declining</i>
5	4	3	2	1

2. Payor & Revenue Quality

PPO Dependence:

<30%	30–50%	50–70%	70–85%	Heavy PPO
5	4	3	2	1

3. Owner Dependence

Who Produces Dentistry:

Team-driven	Associate-supported	Balanced	Doctor-heavy	You are the practice
5	4	3	2	1

Systems & Transferability:

Documented systems	Mostly systemized	Some structure	Personality-driven	Runs on you
5	4	3	2	1



4. Hygiene & Recurring Revenue

Strong hygiene engine	Healthy recall	Average	Underdeveloped	Doctor-driven
5	4	3	2	1

5. Facility & Marketability

Modern/scalable	Updated	Serviceable	Dated	Needs reinvestment
5	4	3	2	1

6. Willingness to Stay Post Sale

3–5 years	2–3 years	12–24 months	>12 months	Immediate
5	4	3	2	1

7. Staff Stability

Long-term team	Mostly stable	Moderate turnover	Uncertain	Fragile
5	4	3	2	1

Total Your Score:

Total Score (out of 40): _____

What Your Score Suggests

- 34–40 → Highly transferable → 0.75x–0.80x+ of collections
- 28–33 → Strong practice → 0.70x–0.75x
- 22–27 → Average market → 0.65x–0.70x
- 16–21 → Some risk → 0.60x–0.65x
- <16 → High dependence → 0.50x–0.60x

Final Calculation

Trailing 12-Month Collections: \$_____

Estimated Multiple (from score): _____

Estimated Practice Value: _____

This worksheet provides an indicative planning range only and is not a formal valuation.

Calculating My Gap

Step 1 — Your Ideal Asset Number

(The asset base required to sustain your life without relying on work.)

Ideal Asset Number:

\$_____

Step 2 — What you already have working for you

(Only include assets that can realistically produce income.)

Investable Assets Today:

- Cash & savings: \$_____
- Brokerage / investment accounts: \$_____
- Retirement accounts (IRA/401k/etc.): \$_____
- Real estate equity (income-producing only): \$_____
- Other passive assets: \$_____

Total Current Investable Assets:

\$_____

Step 3 — Practice value contribution

(What your business could realistically add to the plan.)

Estimated Practice Sale Value (from earlier exercise):

\$_____

Less: Estimated transaction costs / taxes (if known):

– \$_____

Net Practice Contribution (Planning Estimate):

\$_____

Step 4 — Other capital events (if applicable)

Sale of building (if separate): \$_____

Deferred compensation / earn-outs (conservatively valued): \$_____

Other expected liquidity events: \$_____

Total Additional Capital: \$_____

Step 5 — Total projected capital

Add Steps 2 + 3 + 4:

Total Capital Available to Fund Freedom:

\$_____

Step 6 — Calculate your gap to freedom

Ideal Asset Number (Step 1): \$_____

Minus Available Capital (Step 5): - \$_____

YOUR GAP TO FREEDOM \$_____

What this number means

If the number is:

Near Zero → You are already financially independent.

Manageable → A focused 3–5 year strategy can close it.

Large → Requires intentional capital building, not just more work.

This is not a judgment.

It is simply the distance between today and optionality.

Closing The Gap To Freedom

Your Gap is not closed by working harder. It is closed by deliberate moves on both sides of the equation.

DEFINE YOUR CURRENT GAP

Gap to Freedom (from prior worksheet):

\$ _____

CAPITAL YOU WILL ADD EACH YEAR

How much new capital can you intentionally deploy each year?

Annual Savings / Investing from Practice Cash Flow:

\$ _____

Other Annual Contributions (bonuses, distributions, etc.):

\$ _____

Total Annual Capital Added:

\$ _____

ESTIMATED TIME TO CLOSE THE GAP

Using your annual contributions and expected return, calculate the estimated time to close the gap.

Formula:

Gap to Freedom ÷ Annual Contributions = Years Needed

Your Calculation:

\$ _____ (Gap)

÷

\$ _____ (Annual Contributions)

= _____ Years

- Can I accelerate my capital contributions to get there faster?
- Can I redeploy current capital for better, more efficient returns?

Or... what happens if I rethink my burn rate? (next worksheet).

Reducing the required Freedom Number

The fastest way to close the gap is often reducing what the gap must fund. Review areas where lifestyle spending may be unintentionally inflated by work-driven habits.

Potential Burn Rate Adjustments:

Adjustment	Annual Impact
Lifestyle expenses	\$_____
Practice-subsidized costs that won't continue	\$_____
Debt that will be retired before exit	\$_____
Downsizing / simplification opportunities	\$_____
Other intentional reductions	\$_____

New Revised Annual Burn Rate:
\$_____

RECALCULATE REQUIRED ASSET BASE

If your burn rate decreases, your Required Capital also decreases.

Original Freedom Number: \$_____

Revised Freedom Number (if applicable): \$_____

Reduction in Required Capital: \$_____

YOUR UPDATED GAP

Revised Freedom Number: \$_____

Revised Ideal Asset Number: \$_____

Minus Current Capital (from prior worksheet): – \$_____

NEW GAP TO CLOSE: \$_____