

Four Bucket Exercise



The goal of this exercise is to determine **how much cash up front** vs. **how much is available to invest into the structured settlement annuity**. Once you receive the settlement check, it is your decision on the actual distribution of funds for buckets 1, 2 & 3. You might also opt to place an additional amount into the annuity if you have a very low risk tolerance.



Past Expenses
*Credit Card Debt,
Repay Friends/Family,
Student Loans, etc...*



Immediate Expenses
*Wants/needs for the
next 1-2 years, such as
paying off mortgage,
new car, etc...*



Emergency Fund
*Emergency Funds &
Liquid or "Market"
Investments*



CASH AVAILABLE TO INVEST IN ANNUITY
*Structured Settlement
Annuity is Income Tax Free
or Income Tax Deferred
depending on the type
of incident.*

NET CASH SETTLEMENT:

\$

**Combined Total
of Buckets 1, 2 & 3**

\$

*Subtract
combined total
from net cash
settlement*



\$