

Exhibit 3
Wealth Impacts of Renting versus Buying

Panel A: Renting

Year End	Stock Portfolio Value	Real Estate	After-Tax Cash Rent Outflows	Cumulative After-Tax Cash Outflow	Cumulative Wealth Impact (CWI)*
Year 1	\$ 35,168	\$0	(\$17,628)	(\$17,628)	
Year 10	\$ 109,226	\$0	(\$23,691)	(\$202,085)	
Year 30	\$1,053,631	\$0	(\$42,788)	(\$838,659)	\$27,034

*(\$1,053,631 - \$35,168) = \$1,018,463 x .85 = \$865,694 - \$838,659 = \$27,034

Panel B: Buying

Year End	Combined Portfolio	Real Estate	After-Tax Cash House Outflows*	Cumulative After-Tax Cash Outflow	Cumulative Wealth Impact (CWI)**
Year 1	\$ 15,700	\$157,400	(\$14,888)	(\$ 14,888)	
Year 10	\$ 54,613	\$298,792	(\$17,053)	(\$176,568)	
Year 30	\$526,815	\$958,267	(\$25,457)	(\$574,862)	\$615,323

*After-tax interest expense + 4% carrying cost (taxes, insurance, and maintenance) at 3% growth

**Computed as: real estate (\$958,267 - \$157,400) = \$800,867 - \$500,000 = \$300,867 x .85 = \$255,737

Computed CWI = \$434,448 + \$255,737 + \$500,000 (home exclusion) - \$574,867 = \$615,323