



Financial Life Planning

The Planning Process

6 Months



Discovery Meeting

45 Minutes

Forming a relationship. This meeting is all about deciding if we are good fit for each other.



Goal Setting Meeting

90 Minutes

- Form an agreement
 - Set goals
- Collect documents
- Get organized



Development Meeting

60 Minutes

- Formulate action plan
 - Develop budget
 - Credit Score
- Debt management
- Emergency Fund



Opportunity Meeting

60 Minutes

- Retirement plan contribution rate
- Investment allocation
- Insurance Analysis



Opportunity Meeting #2

60 Minutes

- Tax Planning
- Estate Planning
- College Planning
- Retirement and Social Security Planning



Ongoing Meetings

90 Minutes

- Spring
- Fall
- Winter

Ongoing Planning



Spring

New Goals

- Review previous year goals
 - Set new annual goals
 - Adjust plan contributions
- Review investment performance
- Make final IRA contributions
- Budget and cash flow review



Fall

Financial Check Up

- Budget tune-up
- Retirement and Social Security planning
 - Investment allocation
 - Insurance Analysis (shop)
- Healthcare open enrollment
- Credit and Debt Analysis



Winter

Year-End Tax Planning

- Tax Planning
- Estate Planning
- College Planning
- Credit Score Review
- Retirement and social security planning
 - Budget Review

Achieving Your Goals

Year 1

- Build emergency fund equal to 3 months of income
- Increase 401k contributions to 5% to achieve full employer match
- Apply for Income-Based Repayment of student loans
- Begin credit card repayment at \$250/month
- Reduce lifestyle spending \$100/month

Years 1-3

- Get credit cards completely paid off
- Purchase home
- Increase savings rate beyond 10%

Years 3+

- Start 529 Plan
- Increase giving rate beyond 10%
- Create retirement plan

Planning Calendar

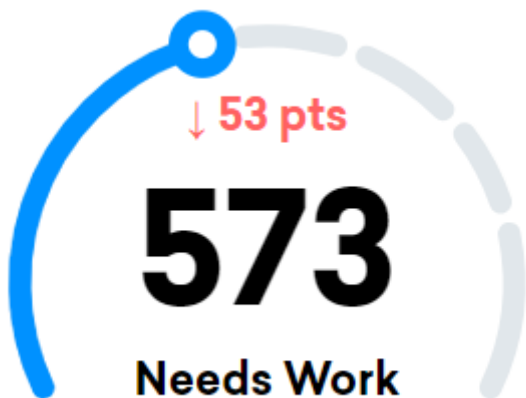
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Planning Calendar

[illegible]



Credit & Debt Management



Payment history

HIGH IMPACT

100%

Percentage of payments you've made on time

[View details →](#)

Credit card use

HIGH IMPACT

97% ↑

How much credit you're using compared to your total limits

[View details →](#)

Derogatory marks

HIGH IMPACT

0

Collections, tax liens, bankruptcies or civil judgments on your report

[View details →](#)

Credit age

MEDIUM IMPACT

2 yrs 9 mos

Average age of your open accounts

[View details →](#)

Total accounts

LOW IMPACT

16

Total open and closed accounts

[View details →](#)

Hard inquiries

LOW IMPACT

3 ↓

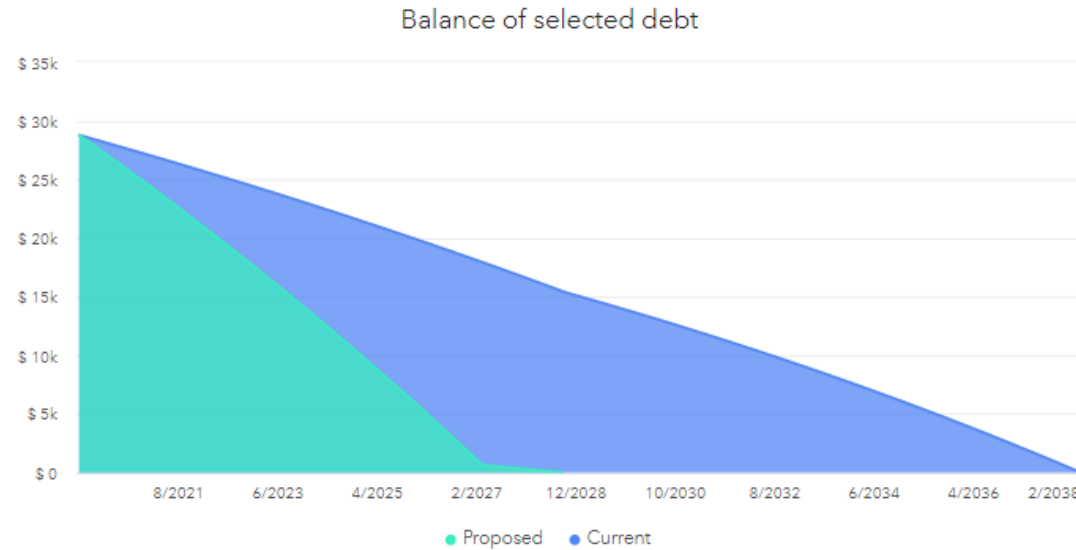
Number of times you've applied for credit

[View details →](#)

Steps For Improvement:

- Increase budget cash flow to pay down high interest debt (see budget recommendations)
- Apply for Income Based Repayment of student loans and use money saved to pay down cards
- Continue great payment history
- Increase credit limit once score increases
- Balance transfer to a 0%APR intro offer once score increases

Debt Management Strategy



Total savings of
\$ 7,247
and debt free
114 months sooner

Proposed debt strategy

Strategy

Reallocate payments - highest to lowest interest rate ▼

Include the following debts in the payment strategy

<input checked="" type="checkbox"/> -Group ID:F	\$ 25,005.32
<input type="checkbox"/> Cash Rewards Business	\$ 3,515.78
<input checked="" type="checkbox"/> Quicksilver	\$ 3,769.74

Proposed monthly payment

Current total monthly payment \$ 199.65

Proposed additional monthly payment \$ 164

Proposed total monthly payment \$ 363.65

Refresh

Student Loan Planning

Goals to consider:

- Improving Short-term Cash Flow
- Achieving lowest interest rate possible
- Public Student Loan Forgiveness Eligibility
- Income Based Repayment
 - Achieve forgiveness in future
 - Plan for tax liability of forgiveness

Repayment Options:

Income Driven Repayment Plans

- Revised Pay As You Earn (REPAYE)
- Pay As You Earn (PAYE)
- Income-Based (IBR)
- Income-Contingent (ICR)

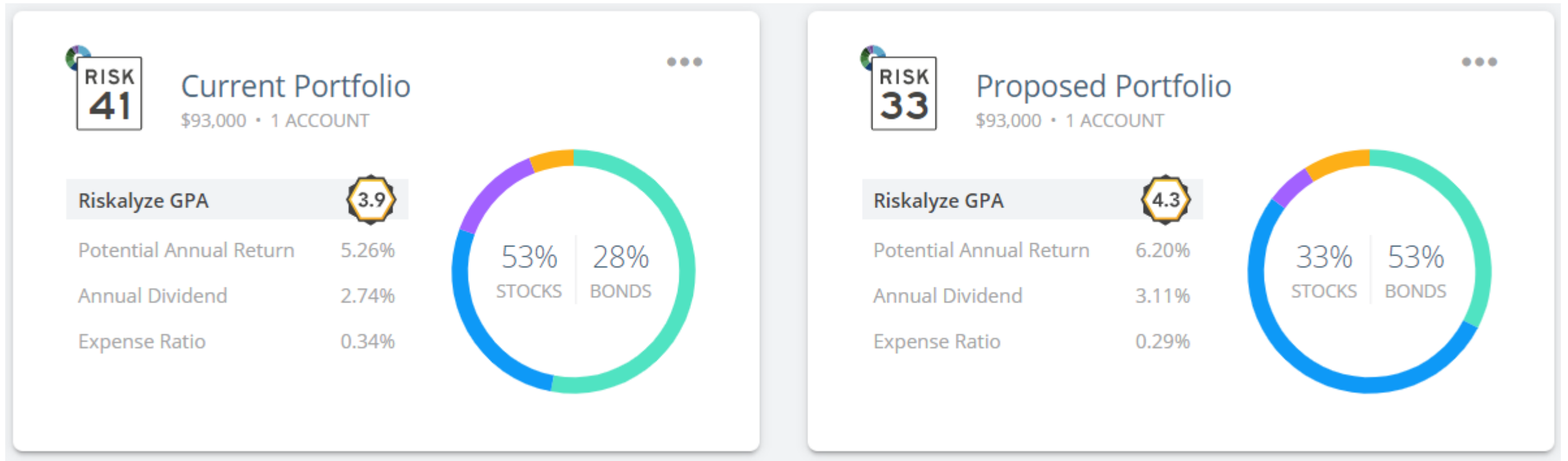
Refinance as Private Loans

- Private lender options
- Variety of payment lengths and terms



Investment Planning

Portfolio and Risk Analysis



Portfolio Stress Testing

If a 2013 Bull Market were to happen again >

SPDR® S&P 500 ETF
JAN 1, 2013 – DEC 31, 2013



+\$30.0 K ▲ 32.3%

Current Portfolio
ESTIMATED PERFORMANCE



+\$8,563 ▲ 9.2%

If a Financial Crisis were to happen again >

SPDR® S&P 500 ETF
OCT 15, 2007 – MAR 2, 2009



-\$49.4 K ▼ -53.1%

Current Portfolio
ESTIMATED PERFORMANCE



-\$18.7 K ▼ -20.2%



Budget and Cash Flow

Budget Tools and Analysis

Mark Smith - Monthly Budget

	Projected Cost	Actual Cost	Difference
	\$2,783	\$2,628	\$225

Housing	Projected	Actual	Difference
Mortgage/ Rent	\$922	\$922 →	\$0
Cell Phone	\$48	\$48 →	\$0
Electricity	\$125	\$40 ↑	\$85
Gas	\$45	\$50 →	-\$5
Water & Sewer	\$75	\$80 →	-\$5
Cable/ Netflix/ Hulu	\$55	\$55 →	\$0
Waste Removal	\$0	\$0 →	\$0
Maintenance & Repairs	\$0	\$100 ↓	-\$100
Furnishings	\$0	\$0 →	\$0
Total	\$1,270	\$1,295	(\$25)

Transportation	Projected	Actual	Difference
Car Payment 1	\$0	\$0 →	\$0
Car Payment 2		→	\$0
Taxi/ Uber/ Lyft		→	\$0
Public Transportation		→	\$0
Car Insurance	\$50	\$50 →	\$0
Gas & Fuel	\$95	\$120 →	-\$25
Maintenance	\$0	\$45 →	-\$45
Parking		→	\$0
Total	\$145	\$215	(\$70)

Insurance	Projected	Actual	Difference
Home Insurance	\$0	\$0 →	\$0



Projected Income	Actual Income
Income 1	Income 1
\$25,000	\$25,000
Income 2	Income 2
\$12,000	\$12,000
Income 3	Income 3
\$4,800	\$4,800
Total Income	Total Income
\$41,800	\$41,800

Projected Balance	\$39,017	Monthly Balance	\$3,264
Actual Balance	\$39,172	Monthly Surplus	\$636
Difference ↑	\$155		

Health & Fitness	Projected	Actual	Difference
Dentist		→	\$0
Doctor		→	\$0
Eyecare		→	\$0
Gym	\$30	\$100 ↓	-\$70
Pharmacy		→	\$0
Total	\$30	\$100	(\$70)

Travel	Projected	Actual	Difference
Air Travel		→	\$0
Hotel		→	\$0
Rental Car		\$0 →	\$0

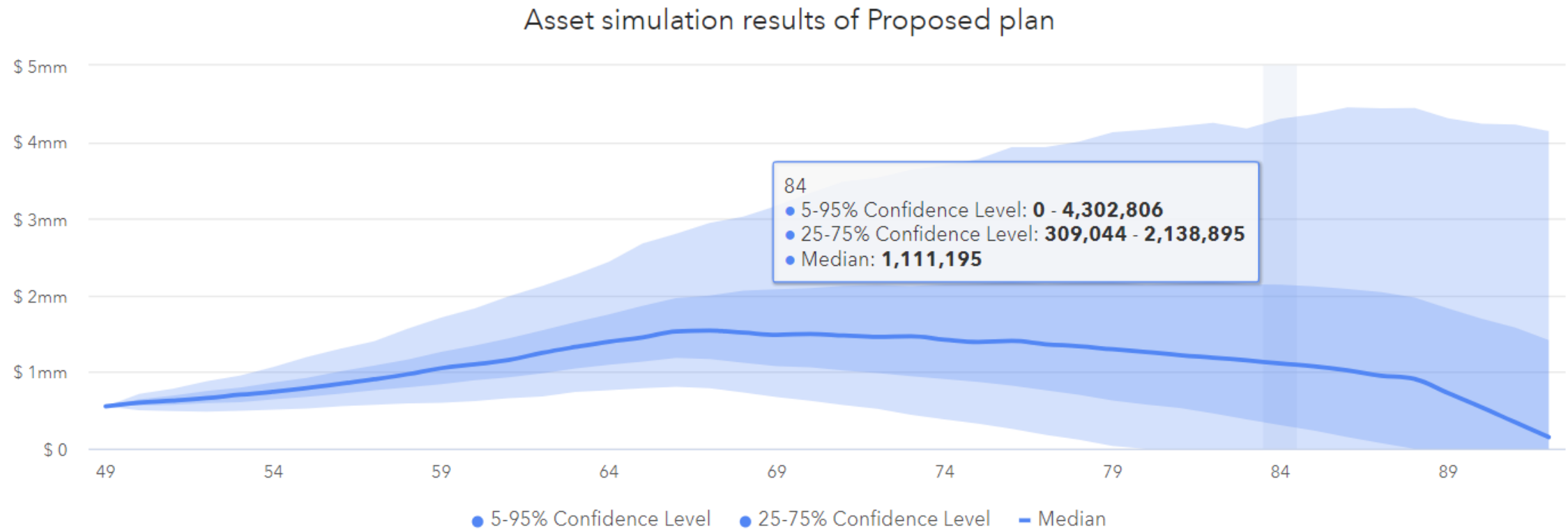
Cash Flow Projections

Year	Age	Cash Inflows				Cash Outflows					Spend Unsaved Cash Flows	Net Flows
		<u>Income Inflows</u>	<u>Planned Distribution</u>	<u>Other Inflows</u>	<u>Total Inflows</u>	<u>Expenses</u>	<u>Goals</u>	<u>Tax Payment</u>	<u>Planned Saving</u>	<u>Total Outflows</u>		
2020	50/48	190,000	0	0	190,000	115,800	22,261	53,492	10,500	202,053	0	(12,053)
2021	51/49	195,700	0	0	195,700	118,695	23,374	55,317	10,815	208,201	0	(12,501)
2022	52/50	201,571	0	0	201,571	121,662	24,543	56,922	11,139	214,267	0	(12,696)
2023	53/51	207,618	0	0	207,618	124,704	25,770	58,764	11,474	220,711	0	(13,093)
2024	54/52	213,847	0	0	213,847	127,822	0	56,349	11,818	195,988	17,859	0
2025	55/53	220,262	0	0	220,262	131,017	0	58,100	12,172	201,289	18,973	0
2026	56/54	226,870	0	0	226,870	134,292	0	65,761	12,538	212,591	14,279	0
2027	57/55	233,676	0	0	233,676	137,650	0	67,863	12,914	218,426	15,250	0
2028	58/56	240,686	0	0	240,686	141,091	0	70,031	13,301	224,423	16,263	0
2029	59/57	247,907	0	0	247,907	144,618	0	72,268	13,700	230,586	17,320	0
2030	60/58	255,344	0	0	255,344	148,234	0	74,623	14,111	236,968	18,376	0

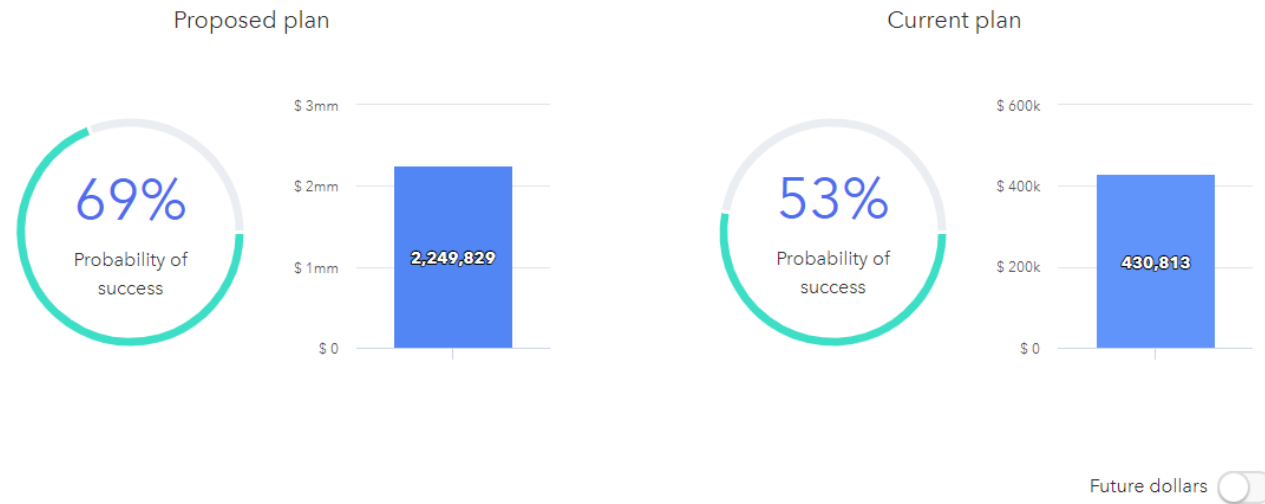


Retirement Planning

Monte Carlo Retirement Simulation



Financial Independence Optimization



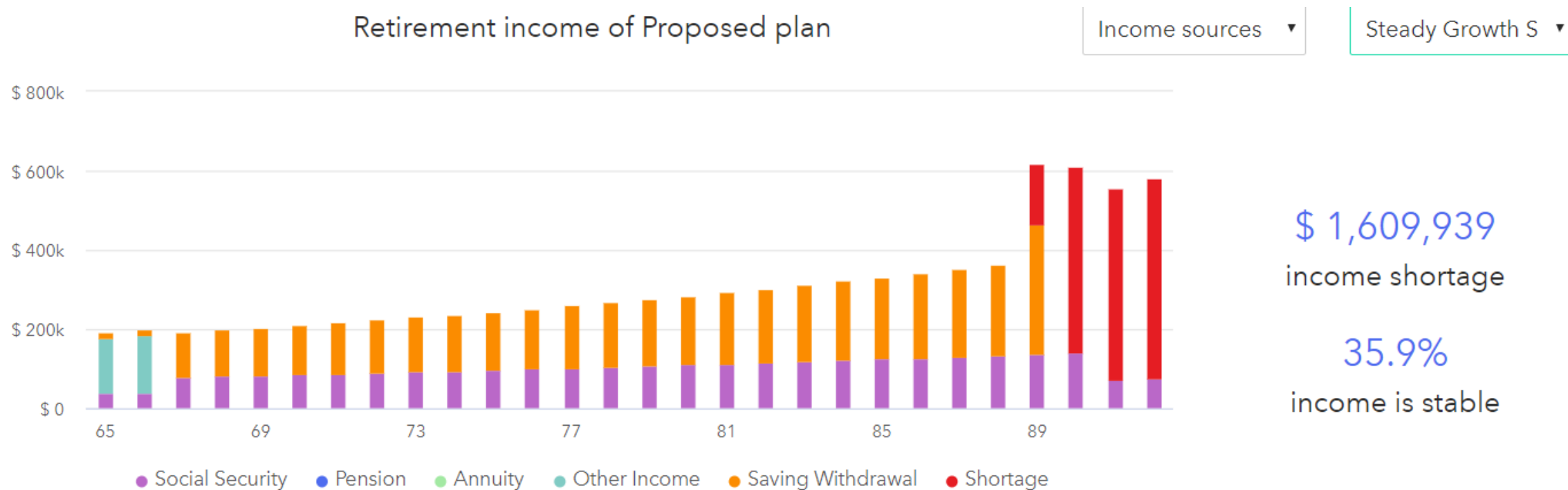
ACTION ITEMS

Financial goals		Proposed	Current	Strategies		Proposed	Current
Client's retirement age	<input type="range"/>	66	65	Asset allocation		Current allocation	Current allocation
Co-client's retirement age	<input type="range"/>	66	65	Social Security		Current strategy	Current strategy
Retirement Monthly Expense	<input type="range"/>	\$ 7,200	\$ 7,600	Debt strategy		Current payments	Current payments
Income, savings and expenses				Student loan strategy		Current payments	Current payments
Client's Taxable	<input type="range"/>	\$ 0	\$ 0	Income strategy	<input type="range"/>	\$ 0	Select an account
Client's 401(k)	<input type="range"/>	6 %	6 %	Properties and Businesses			
Co-client's 401(k)	<input type="range"/>	5 %	5 %				
Pre-retirement Living Expe...	<input type="range"/>	\$ 9,500	\$ 9,500				







Edit

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Retirement Income Planning



Account Aggregation and Real-Time Net Worth


Net Worth		\$ 517,966
 BANK		\$ 0 >
 CARD		(\$ 35,000) >
 INVESTMENT		\$ 552,966 v
Manual	Client's Investment Account	\$ 299,069 x
Manual	Client's Investment Account	\$ 68,886
Manual	Co-client's Investment Account	\$ 185,011
 STOCK PLAN		\$ 0 >
 LOAN		\$ 0 >
 PROPERTY		\$ 0 >

Manual

Balance
\$ 299,069

Account name

Client's Investment Account

Included in plan 

☒

Account type


401(k), 403(b), or other retireme v

Owner

Client v

Cash

\$ 0

Managed 

☒

Save

Add Holding

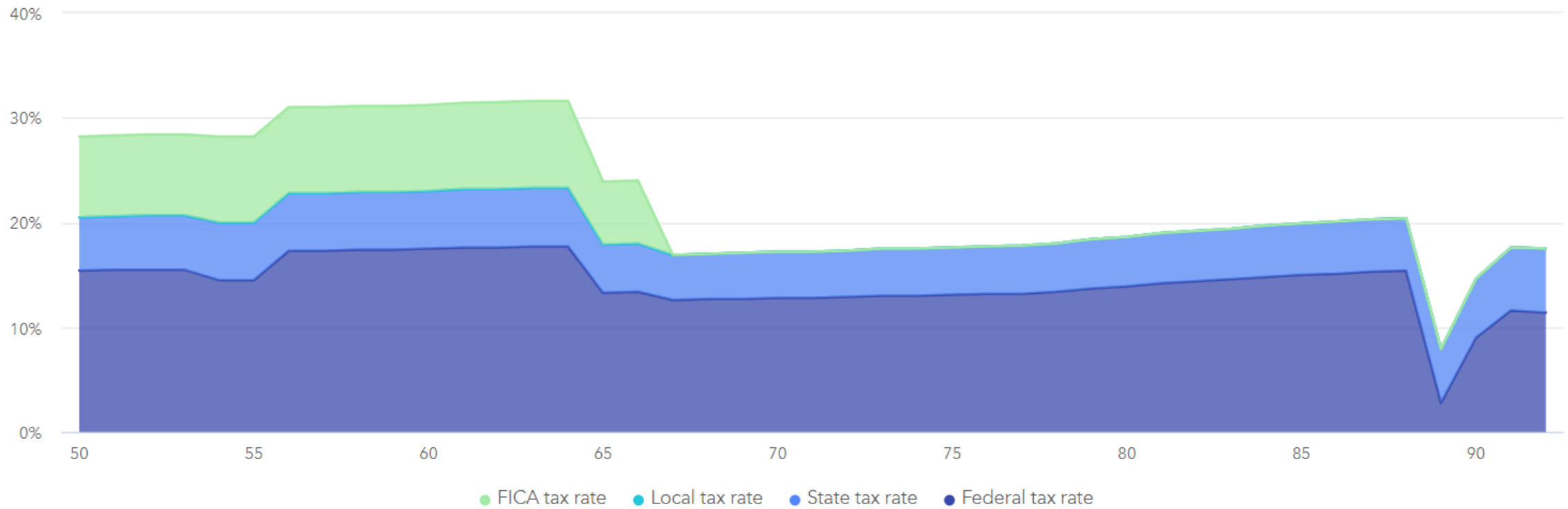
Add Asset Class >

Security	Quantity	Price	Value
BND Vanguard Total Bond Market Index Fund ETF Shares	1,200.00	83.94	\$ 100,728
VTI Vanguard Total Stock Market Index Fund ETF Shares	1,300.00	152.57	\$ 198,341



Tax & Insurance Planning

Tax Planning



Insurance Planning



Umbrella



Auto



Homeowner's



Life

Tasks to Accomplish:

Auto:

- Shop with independent broker
- Adjust comprehensive coverage deductible

Homeowners:

- Get quote for bundling with Auto

Life:

- Acquire workplace policy for advisor
- Need \$250,000 additional term-coverage for Elizabeth