

## INTRODUCTION

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Your Personal Financial Plan has been prepared using techniques and concepts proven over years of experience from the disciplines of banking, investments, insurance, economics and finance. The analysis is based on the information you provided in your confidential questionnaire.

As you review the Personal Financial Plan, you will find that some areas of your financial goals are in better shape than others. The areas that particularly need attention will be identified in the report that follows.

The objective of this analysis is to assist you in making proper plans and quality decisions that will help you achieve your financial objectives.

Decisions you make about your financial future can be enhanced by an understanding of your personal situation as described in this report, and through careful review and discussion.

After you have reviewed this financial plan and noted areas that need attention, we will assist you in evaluating the various options available for addressing areas of need or opportunities for use of your financial resources.

**PERSONAL STATISTICS**

5/15/2003

Allen & Betty Able  
1234 Fifth St.  
Corvallis, OR 97330  
555-123-4567

<b>Family Member</b>	<b>Birthdate</b>	<b>Age</b>	<b>Social Sec #</b>
Allen Able	3/5/1946	57	222-11-4444
Betty M. Able	6/8/1948	54	999-88-7777
Andy	12/28/1987	15	222-33-4444
Bonnie	6/13/1984	19	333-44-5555

<b>Allen</b>	<b>Employment</b>	<b>Betty</b>
Walton Industries General Manager 222 32nd St Philomath, OR 97370 234-5678		KMart Supervisor  Albany, OR 97321

*This report has been prepared based on information provided by you and is solely for informational purposes. This is not an offer to sell any security, nor is it a solicitation of an offer to buy any security. The income and estate tax portions of this report are estimates and illustrations only. You should consult with qualified tax and legal advisors for specific details and projections relating to your income tax and estate planning questions.*

## OBJECTIVES

Retirement @ 65

Your personal financial plan was prepared with concern for your specific goals and objectives. As you review this report, determine if your goals are obtainable or whether adjustments should be considered.

<b>RETIREMENT OBJECTIVES:</b>	<u>Age</u>	<u>Monthly expenses in today's dollars*</u>	<u>Inflation rate</u>	<u>Inflation adjusted expenses*</u>	
Your financial plan is based on the following income requirements.	65	\$5,753	3.57%	\$7,530	G1a, C2
	70	\$4,408	3.58%	\$6,946	
	84	\$5,209	3.00%	\$13,198	

\* Includes basic personal expenses, itemized deductions, insurance, mortgage and debts, savings and investment deposits.

### **SURVIVOR OBJECTIVES:**

In the event of your premature death, you indicated that your heirs would need the following amounts of monthly income:\*

	<u>Allen</u>	<u>Betty</u>	
Initial income amount needed	\$3,898	\$3,933	F4, F6

\*Amount of expenses will vary. Refer to Survivor report for details. Includes basic personal expenses, insurance premiums, itemized deductions and loan payments.

### **EDUCATION FUNDING:**

Your financial analysis includes consideration of the cost of educating your children. Education costs now represent one of the most substantial expenses for a family. Unless careful planning and preparation is performed, these costs could seriously affect your ability to accumulate funds for your retirement.

<u>Name</u>	<u>Cost / year</u>	<u>Inflated cost at 3.90%</u>	
Andy	10,000	\$45,773	A17
Bonnie	10,000	31,185	

Total      **\$76,958**

### **OTHER**

Estimates used in the reports are based on a life expectancy age for Allen of 84. The life expectancy age for Betty is assumed to be 92.

You have indicated additional financial goals including:

	<u>Year</u>	<u>Amount</u>	<u>Inflation rate</u>	
Retirement trip	2007	\$15,000	6.00%	A17
Sail boat	2010	\$20,000	4.00%	

## FINANCIAL GOALS

### Retirement @ 65

It is important to plan ahead for financial goals like purchasing a home, a business opportunity or other special needs. If you indicated any special goals, the following table shows the amount of money needed for those items.

<b>Description:</b>	Year needed	Inflation rate %	Amount needed	Inflated amount needed	<b>Funding methods at 8.00% after tax</b>	
					Lump sum deposit	Monthly deposit
Retirement trip	2007	6.00%	\$15,000	\$18,937	\$13,919	\$334
Sail boat	2010	4.00%	20,000	\$26,319	\$15,357	\$233

In order to achieve a future financial goal, such as a major purchase or investment, you should plan to have funds available at the right time. Two methods are illustrated - prefunding with a lump sum of money dedicated to the future goal, or prefunded with an accumulation account where funds are deposited each month.

**Lump Sum:**

Using this method, a calculation is done to determine what amount of money would need to be set aside now at an after-tax rate of return that would grow to the required amount at the time the funds are needed. The initial lump sum deposit would be held in a separate account and then used to pay for the expense.

**Monthly deposits:**

If a lump sum amount is not available to set aside for the future expense, you might consider using a separate account where monthly deposits are contributed to accumulate the funds required. The amount shown above as "Monthly Deposit" would be anticipated to grow at the after-tax rate shown, shown, and when needed would be used to pay for the goal specified.

The above funding amounts and rates are used for illustration only and do not represent any particular investment program. Results are not guaranteed.