

Financial Plan for Ben Shrewsbury

November 19, 2018

Age 24

Net Income: \$75,600/year (reference exhibit A Income Statement on page 2)

Net Worth: \$88,204 (reference exhibit B Balance Sheet on page 3)

Monthly Savings: \$1,236/month (reference exhibit A Income Statement on page 2)

Investor Profile: Aggressive (reference exhibit C Investor Profile Questionnaire on page 4)

Credit Score: 774

Tax Bracket: 25%

Emergency Savings: \$3,600 America First Local Savings Bank (reference exhibit D Savings Comparison on Page 5)

Life Insurance: \$500,000 20 Year Term Policy Progressive Insurance (reference exhibit E Life Insurance on Page 6)

Savings Goals:

#1 Buy Motorcycle

Goal Amount: \$10,000

Start Date: January 1, 2019

End Date: January 1, 2022

Time: 3 year

Monthly Investment: \$278

Investment: Evergreen Online Savings

Anticipated Rate of Return: 2.5%

#2 New Car

Goal Amount: \$40,000

Savings Start Date: January 30, 2018

Targeted End Date: January 30, 2025

Time: 7 years

Monthly Investment: \$480

Investment: Lord Abbett Bond

Anticipated Annual Return: 6%

#3 Retirement:

Goal Amount: \$1.0MM

Start Date: January 1, 2019

Targeted End Date: January 1, 2064

Time: 45 years

Investment: Fidelity Freedom (FDEWX)

Anticipated Annual Return: 9%

Income Statement (Exhibit A)

| Income Statement | | | | |
|-------------------------|---------------|-------------|--------------|-------------|
| Ben Shrewsbury | | | | |
| 9/10/18 | | | | |
| | | | | |
| Income | | | Month | Year |
| | Employment 1 | | 2,710 | 32,520 |
| | Employment 2 | | 2,790 | 33,480 |
| | Rent | | 800 | 9,600 |
| Total Income | | | 6,300 | 75,600 |
| Expenses | | | | |
| | Taxes | | 1,667 | 20,000 |
| | Mortgage | | 1,275 | 15,300 |
| | Food | | 400 | 4,800 |
| | Utilities | | - | |
| | | Water/Sewer | 22.85 | 274.20 |
| | | Electric | 150 | 1,800 |
| | | Garbage | 22.50 | 270 |
| | | Gas | 75 | 900 |
| | | Phone | 84 | 1,008 |
| | | Internet | 55 | 660 |
| | Car Payment | | 250 | 3,000 |
| | Gas | | 400 | 4,800 |
| | Insurance | | 139 | 1,668 |
| | Student loan | | 50 | 600 |
| | Entertainment | | 12 | 144 |
| | Pet | | 50 | 600 |
| | School | | 412 | 4,944 |
| | | | | |
| Total Expenses | | | 5,064 | 60,768 |
| Net Income | | | 1,236 | 14,831.80 |

Balance Sheet (Exhibit B)

| Balance Sheet | | | |
|--------------------------|--------------|--|---------|
| Ben Shrewsbury | | | |
| 9/10/18 | | | |
| | | | |
| Assets | | | |
| | Home | | 284,000 |
| | Car 1 | | 9,706 |
| | Car 2 | | 5,933 |
| | Savings | | 4,550 |
| | Furniture | | 4,300 |
| | Tools | | 1,500 |
| | Retirement | | 0 |
| Total Assets | | | 309,989 |
| Liabilities | | | |
| | Mortgage | | 210,000 |
| | Car 1 loan | | 10,035 |
| | Credit Card | | 450 |
| | Student loan | | 1,300 |
| Total Liabilities | | | 221,785 |
| Net Assets | | | 88,204 |
| Current Ratio | | | 1.4 |
| Debt Ratio | | | 72% |

Investor Profile Questionnaire (Exhibit C)

For each of the following groups of statements, select the statement that most closely reflects your financial situation and investment philosophy (circle numbers).

- A. 1. One can't be too careful.
2. When in doubt, err on the side of caution.
 3. Nothing ventured, nothing gained.
- B. 1. Put safety first, stick with risk free investments.
2. Don't put all your eggs in a few baskets, diversification is important.
 3. Put most of your money in your best investment ideas.
- C. 1. Receiving dependable income is more important than growth.
2. Income and growth are equally important.
 3. Growth is more important than current income.
- D. 1. I prefer conservative investments.
2. I like to have a mix of conservative and growth oriented investments.
 3. I want growth and am willing to risk significant capital to achieve it.
- E. A respected friend suggests the time is right to invest aggressively, you
 1. Refuse to take more risk.
2. Invest a portion of your savings.
 3. Invest all your savings.
- F. You win a contest and can choose among three prizes, which do you select?
 1. Receive \$5000 today.
 2. Receive \$2000/year for 5 years.
3. Receive \$25,000 10 years from now.
- G. An emergency requires \$10,000 unexpectedly, you
 1. Have to liquidate all your investments.
2. Have to liquidate 25% of your investments.
 3. Could handle it without liquidating any of your investments.
- H. The stock market is dropping in value, you would sell your investments after
 1. A 10% drop in value.
 2. A 20% drop in value.
3. I would not sell in a down market.

Personal Finance
 Investor Profile Questionnaire Score Card

Total Score:18
 8-10 Very Conservative
 11-14 Conservative
 15-17 Balanced
18-21 Aggressive
 22-24 Very Aggressive

Savings and CD Comparison (Exhibit D)

Online Savings

| Bank | Interest | Minimum | Fees |
|-----------|----------|---------|------|
| HSBC | 2.1% | \$1 | none |
| Marcus | 1.9% | \$1 | none |
| Evergreen | 2.5% | \$100 | none |

Online CD

| Banks | 1 | 2 | 3 | 4 | 5 |
|-----------|-------|------|-------|-------|------|
| HSBC | .95% | 1.3% | - | - | - |
| Marcus | 2.55% | 2.6% | 2.56% | 2.7% | 3.1% |
| Evergreen | .8% | .95% | 1.2% | 1.25% | 1.3% |

Local Savings

| Bank | Interest | Minimum | Fees |
|-----------------------|-------------|-------------|---------------------|
| American First | 0.1% | \$25 | 0 |
| Chase | 0.01% | \$25 | \$5 < \$300 balance |
| Wells Fargo | 0.01% | \$25 | \$5 < \$300 balance |

Life Insurance (Exhibit E)

| Insurance co. | 10 yr | 20 yr | 30 yr | Universal | Rating |
|---------------|-------------|-------------|-------------|--------------|--------|
| Protective | \$13.68/mo. | \$19.58/mo. | \$30.91/mo. | \$192.51/mo. | A+ |
| AIG | \$14.01/mo. | \$19.58/mo. | \$31.12/mo. | \$168.15/mo. | A |
| Pacific Life | \$14.66/mo. | \$20.19/mo. | \$31.24/mo. | N/A | A+ |
| Prudential | N/A | N/A | N/A | \$149.40/mo. | A+ |