# Life Goals


*David Harris*

*and*

*Ellen Harris*

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# Important Notes

This report illustrates your financial lifestyle, or your hypothetical cash flow and its effects on your net worth. This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your planning needs. It can serve as a guide for discussions with your professional advisers. The quality of this analysis is dependent upon the accuracy of data provided by you. Calculations contained in this analysis are estimates only.

Actual results may vary substantially from the figures shown. All rates of return are hypothetical and are not a guarantee of future performance of any asset, including insurance or other financial products. All inflation rates are estimates provided by you.

This analysis contains very specific computations concerning the value of your assets today. These computations are based on assumptions you provided concerning the value of your assets today and the rate at which the assets will appreciate. These assumptions must be carefully reviewed for their reasonableness. These assumptions are only a "best guess". The actual values, rates of growth, and tax rates may be significantly different from those illustrated. The actual taxes due may be significantly greater or smaller than those illustrated. No guarantee can be made regarding values and taxes when actual appreciation rates and tax rates cannot be known at this time.

For illustrative purposes, many assumptions must be made concerning the sale of properties or the change of property ownership. These are for illustrative purposes and not to be considered as legal advice; only your solicitor should provide such advice. No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Please discuss legal and accounting matters directly with your advisers in each of those areas. Because your planning concerns and goals may change in the future, periodically monitoring actual results and making appropriate adjustments are essential components of your program. Annual updating allows a year of estimated values to be replaced with actual results and can be very helpful in your determining whether your plans are on your desired course. Strategies may be proposed during the course of planning, including the acquisition of insurance and other financial products. When this occurs, additional information about the specific product (including a key features document, if required) will be provided for your review.

# Confirmation of Facts

## Personal Information

**David Harris**, Male Born: 23 Sep., 1974
**Ellen Harris**, Female Born: 18 Jul., 1976

- David and Ellen are married.
- Include State Benefits in analysis.

**Dependants:** Jamie Born: 08 Oct., 2006
Susie Born: 17 Apr., 2008

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## Salaries

David's Current Salary: £37,500
Ellen's Current Salary: £25,000
Estimated Average Income Tax Rate: 25%

## Assets

Total Assets: £35,000
Total Monthly Savings: £200
Average Growth Rate: 4.21%

| Description | Owner | Current Amount | Monthly Savings | Growth Rate | Available for Emergency Fund? |
|---|---|---|---|---|---|
| Savings | David / Ellen | £10,000 | £100 | 3.50% | Yes |
| Investments | David / Ellen | £25,000 | £100 | 4.50% | No |

## Debts

Total Mortgage Balance: £145,000

Total Other Debts: £0

| Description | Balance | Monthly Payment | Interest Rate |
|---|---|---|---|
| Mortgage | £145,000 | £750 | 3.50% |

## Retirement Assets

Total Retirement Assets: £58,000
Total Monthly Contributions: £300
Average Growth Rate: 5.00%

| Description | Owner | Current Amount | Monthly Savings | Growth Rate |
|---|---|---|---|---|
| Pensions | David | £35,000 | £150 | 5.00% |
| Pensions | Ellen | £23,000 | £150 | 5.00% |

## Survivor Needs

Current Life Insurance Policies:

| Description | Insured | Death Benefit | Premium |
|---|---|---|---|
| Mortgage Cover | David | £150,000 | £240 |

## Disability Needs

Current Disability Insurance Policies:

## Long-Term Care Needs

Your Existing Long-Term Care Policies:

# Confirmation of Facts (Continued)

## Education Savings

Current Savings Amount: £10,000
Current Monthly Savings: £150
Growth Rate: 3.50%

# Assumptions

## Your Monthly Cash Flow

- Your Monthly Cash Flow represents an estimate of your current household income and expenses. This may not represent all of your current income and expenses, and your income and expenses may change in the future.

### Calculation Assumptions

- Estimated Monthly Taxes equals Estimated Gross Monthly Income multiplied by the Estimated Average (Effective) Income Tax Rate of 25%.

## Debt Management

### Calculation Assumptions

- Debt-to-Earned Income Ratio equals your Total Household Current Monthly Debt Payments divided by Your Total Household Current Gross Monthly Salaries.
- Years Until Debt is Paid Off equals the number of years it will take to pay off the Current Balance, assuming you continue to pay the current Monthly Payment, at the current Interest Rate, with no additions to the current Balance.
- Average Interest Rate on Credit Cards represents a weighted average based on each credit card current Balance.

## Emergency Fund

### Calculation Assumptions

- Emergency Fund Needed based on total household current gross monthly salaries multiplied by 3 months.

## Survivor Needs—Assumes David Dies

### Assumed Years of Death

- This presentation assumes David dies immediately.

### Income Needs Assumption

- Ellen will require 70% of current household income while the children are at home.

  When the youngest child turns 18, Ellen will require 60% of current household income for remaining years.

  Needs are provided for 20 years.

# Assumptions (Continued)

## Survivor Needs—Assumes David Dies (Continued)

### Interest Rate Assumptions

- Education costs are assumed to increase at a 6% annual inflation rate.
- All other living expenses are assumed to increase at a 3% annual inflation rate.
- All lump sum values in today's money are assumed to grow at 5% annually.

### State Benefits Assumptions

- Ellen is eligible for certain State Benefits. Ellen's certain State Benefits are based on levels in today's terms increased by inflation. Ellen plans to take State Benefits starting at age 65.

## Survivor Needs—Assumes Ellen Dies

### Assumed Years of Death

- This presentation assumes Ellen dies immediately.

### Income Needs Assumption

- David will require 70% of current household income while the children are at home.

  When the youngest child turns 18, David will require 60% of current household income for remaining years.

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- All lump sum values in today's money are assumed to grow at 5% annually.

### State Benefits Assumptions

- David is eligible for certain State Benefits. David's certain State Benefits are based on levels in today's terms increased by inflation. David plans to take State Benefits starting at age 65.

## Disability Needs—Assumes David Becomes Disabled Today

### Assumed Disability

- This presentation assumes David becomes disabled immediately.

### Income Needs Assumption

- David will require 60% of current household income during disability.

# Assumptions (Continued)

## Disability Needs—Assumes David Becomes Disabled Today (Continued)

### State Benefits Assumptions

- David is eligible for State Benefits.

## Disability Needs—Assumes Ellen Becomes Disabled Today

### Assumed Disability

- This presentation assumes Ellen becomes disabled immediately.

### Income Needs Assumption

- Ellen will require 60% of current household income during disability.

### State Benefits Assumptions

- Ellen is eligible for State Benefits.

## Long-Term Care Needs—Assumes David Has a LTC Need at Age 85

### Long-Term Care Need Assumptions

- Monthly long-term care need (in today's money) of £2,500 with a 3% inflation rate. Long-term care need will begin at age 85 and continue for 5 years.

### Annual Savings Assumptions

- The annual savings assumed rate of return (4.70%) is the average rate of return of all existing assets.

## Long-Term Care Needs—Assumes Ellen Has a LTC Need at Age 85

### Long-Term Care Need Assumptions

- Monthly long-term care need (in today's money) of £2,500 with a 3% inflation rate. Long-term care need will begin at age 85 and continue for 5 years.

### Annual Savings Assumptions

- The annual savings assumed rate of return (4.70%) is the average rate of return of all existing assets.

# Assumptions (Continued)

## Retirement Needs

### Years Illustrated

- This presentation continues until Ellen reaches age 90.

### Income Needs Assumption

- David retires at 65, Ellen retires at 65.
- David and Ellen require £3,000 per month during retirement.

### Interest Rate Assumptions

- All income needs are assumed to increase at a 3% annual general inflation rate.
- Income sources and asset balances increase annually based on the rate listed on the Your Personal Information page.
- All lump sum values at retirement are assumed to grow at 5% annually.
- All interest rates compounded annually with all monthly contributions for the year added at the end of the year.
- Monthly Savings Needed amount assumes your additional savings will be invested similarly to your current assets, and therefore assumes the average rate of return of all your existing assets.

### State Benefits Assumptions

- David is eligible for certain State Benefits. David's certain State Benefits are based on levels in today's terms increased by inflation. David plans to take State Benefits starting at 65. Ellen is eligible for certain State Benefits. Ellen's certain State Benefits are based on levels in today's terms increased by inflation. Ellen plans to take State Benefits starting at 65.

## Education Needs

- For Jamie, requires 100% of the total cost of University for 3 years.
  For Susie, requires 100% of the total cost of University for 3 years.
- Education costs inflation rate: 6%
- Education savings rate of return: 3.50%
- Current and additional savings begin today and continue until the start of the last dependant's final year of education.
- All interest rates compounded annually with all monthly contributions for the year added at the end of the year.

# Your Strategies

Many people today, whether through poor planning or lack of a financial education, have downsized or discarded their dreams. You have determined that your family deserves better—they deserve to achieve their dreams.

We believe that there is no room for compromise when it comes to someone's dreams. So let us work with you to help you move from dreaming to doing today.

**Recommendations:**

## Debt Management

Debt-Earned Income Ratio: **14.40%**

**86%**

| | |
|---|---|
| Total Monthly Debt: | £750 |
| Total Monthly Income: | £5,208 |

Priority List for Managing Debt

1. ______________________
2. ______________________
3. ______________________

## Emergency Fund

Your Remaining Need: **£5,625**

**64%**

| | |
|---|---|
| Total Need: | £15,625 |
| Total Have: | £10,000 |

Committment to Building Emergency Fund

Monthly Amount: £

## Proper Protection

Remaining Life Insurance Need for David: **£329,162**

**31%**

| | |
|---|---|
| Total Current Need: | £479,162 |
| Current Have: | £150,000 |

Death Benefit: £

Monthly Premium: £

Policy Type:

## Proper Protection

Remaining Life Insurance Need for Ellen: **£269,624**

**0%**

| | |
|---|---|
| Total Current Need: | £269,624 |
| Current Have: | £0 |

Death Benefit: £

Monthly Premium: £

Policy Type:

## Disability

Insurance Need for David: **£22,500**

**0%**

| | |
|---|---|
| Total Current Monthly Need: | £22,500 |
| Total Current Disability Income Have: | £0 |

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

# Your Strategies (Continued)

**Disability** Insurance Need for Ellen: **£15,000**

**0%**

| | |
|---|---|
| Total Current Monthly Need: | £15,000 |
| Total Current Disability Income Have: | £0 |

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

**Long-Term Care** Remaining Need for David: **£10,030**

**0%**

| | |
|---|---|
| Total Monthly Need: | £10,030 |
| Total Current Policy Benefits Have: | £0 |

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

**Long-Term Care** Remaining Need for Ellen: **£10,641**

**0%**

| | |
|---|---|
| Total Monthly Need: | £10,641 |
| Total Current Policy Benefits Have: | £0 |

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

**Retirement** Monthly Savings Need: **£351**

**87%**

| | |
|---|---|
| Total Projected Need: | £1,700,418 |
| Total Projected Have: | £1,480,415 |

Commitment to Building Your Retirement Fund

Monthly Amount: £

**Education** Monthly Savings Need: **£77**

**74%**

| | |
|---|---|
| Total Need: | £41,416 |
| Total Have: | £30,731 |

Committment to Building Your Education Fund

Monthly Amount: £