



LEARNVEST™
ACTIONPROGRAM >>>

Action Plan Prepared For:
John Smith

Your LearnVest Planner: Christopher Pimpo, CFP®, ChFC®
Call on: February 15, 2015

This analysis is based on information from your online financial profile, our call on Feb 1, 2015, and any information provided by you during the financial planning process. LearnVest Planning Services assumes all information you have provided is accurate and does not independently verify the accuracy of any such information.

A Snapshot of Your Current Finances

This is where you stand today: the starting line for your Action Program

<i>The Basics</i>	
Age	28
Kids	None
Annual Household Income	\$80,052
Monthly Net Income	\$4,826
Credit Score	720

<i>Assets</i>	
Retirement Savings	\$32,000
Checking & Savings	\$12,450
Other Invested Assets	\$0
Other Assets	\$0
Real Estate (Est. Value)	\$0

<i>Liabilities</i>	
Credit Card Debt	\$6,347
Student Loans	\$20,900
Other Debt	\$10,000
Mortgage Balance	\$0

<i>The Big Picture</i>				
<i>Total Assets</i>		<i>Total Liabilities</i>		<i>Net Worth</i>
\$44,450	-	\$37,247	=	\$7,203

Based on our call on Feb 1, 2015, and any information provided by you during the financial planning process.

Note: If you did not provide the data required to run the projections, an industry-standard default response was applied in order to estimate the numbers shown on this page.



Plan

Retirement: Creating Your Future Salary

Saving for retirement will most likely be the biggest savings goal of your life. The keys to success when it comes to big long-term goals like retirement are to start as early as you can, invest wisely, and increase the amount you save over time.

Current Path (based on today's assets and savings)

Every month, John saves: \$500		
John's employer match adds: \$200		
John's projected retirement age: 67		
John's projected nest egg: \$2,192,503		
Projected Retirement Salary \$46,597 <small>For household (in today's dollars)</small>		Projected Replacement Ratio 58% <small>Of today's household income</small>

What I Recommend (what to strive for in order to get on track)

This is the ideal amount to be saving each month to get on track to replace 85% of today's salary during retirement. This target number is what we'll work towards using the Goal Calendar each month.

John's Monthly Savings Target: \$914		
John's employer match adds: \$200		
John's target retirement age: 67		
John's target nest egg: \$3,201,617		
Target Retirement Salary \$68,044 <small>For household (in today's dollars)</small>		Target Replacement Ratio 85% <small>Of today's household income</small>

See footnote in Disclosures. Consult your goal commitment calendar in your LearnVest.com dashboard for your exact monthly contributions per account.

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Plan

Retirement: Analysis And Next Steps

🔔 My Analysis

- When it comes to saving for retirement, the combination of starting early and investing wisely gives you the greatest opportunity to build your nest egg. The more investment growth in your retirement portfolio, the fewer dollars that have to come out of your pocket.
- John, utilize your Roth 401(k) at work. A Roth allows you to contribute after-tax dollars and enables you to take tax-free withdrawals at retirement which is a great fit for you given the timeline ahead for your portfolio to grow tax-free. Switch your new contributions gradually over to the Roth as this change will have an impact on your take-home pay.
- Let's build up to your target level of savings over time. Start by contributing \$567 per month and then you'll be increasing in small doses until you hit your target level of savings.
- Let's plan to revisit your retirement projections periodically to ensure that you remain on track. The amount of savings necessary to be on track for retirement will change as your income, lifestyle, inflation, and market performance change over time.

<i>Account Name</i>	<i>Account Type</i>	<i>Balance</i>	<i>Action Item</i>
Employer Plan	401K	\$22,000	Keep - but stop contributing
Vanguard	Rollover IRA	\$10,000	Keep the same
New Employer Plan	Roth 401K	\$0	Open and Fund

Plan

Credit Cards

Our goal is not only to eliminate your current credit card debt as quickly and efficiently as possible, but help you to build the habits necessary to stay out of credit card debt for good!

<i>What do I need to know?</i>	<i>What are my numbers?</i>
How much credit card debt do I have to tackle?	\$6,347
What's my debt-free date?	January, 2016
How much interest could you pay on this debt?*	\$1,574
How much interest will you save by following this plan?*	\$1,062

*Through 2016

ⓘ My Analysis

- Even though you have good intentions to make substantial debt payments, it appears that it is causing you to run short and rely on your cards at the end of the month. We call this the Debt Cycle. Let's break the cycle!
- The first step to making progress on your credit card debt is to stop using your cards. Take your cards out of your wallet and switch to cash or debit to keep your balances from increasing. This will help you gain clarity on monthly spending because you'll be limited to the cash available in your bank account.
- Let's tackle your highest interest rate credit card first. All extra payments should be made to this card until it is fully paid off, while paying the minimums on your remaining cards. Once your first card is paid off, take a moment and celebrate! Then, focus on the card with the next highest interest rate.
- By focusing on your spending habits and paying off your debt as outlined in your Action Plan, rest assured you are making the changes necessary to get out of credit card debt for good. Be sure to celebrate mini milestones along the way.

Projections based on information provided in your financial profile and our call. Assumes minimum payments on each card beginning the date of this plan.

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Plan

Credit Cards: Paydown Order

Our goal is not only to eliminate your current credit card debt as quickly and efficiently as possible, but help you to build the habits necessary to stay out of credit card debt for good!

<i>Priority</i>	<i>Credit Card</i>	<i>Balance</i>	<i>Payment Ends</i>
1	Kohls - 28%	\$890	May, 2015
2	Capital One 5554 - 18%	\$527	June, 2015
3	Discover - 15%	\$4,500	January, 2016
4	Capital One 5567 - 12%	\$430	January, 2016



Plan

Emergency Fund

An Emergency Fund provides you with security, protection and flexibility when life throws you a curveball. It also gives you freedom when making big financial decisions like pursuing a career change, or moving to a new city.

<i>What do I need to know?</i>	<i>What are my numbers?</i>
If you quit your job today, how long <i>could</i> you last on savings?	1 Months (\$6,000 saved)
If you quit your job today, how long <i>should</i> you be able to last on savings?	6 Months (\$29,000 saved)
When will I reach my goal?	August, 2022
How much will I have in six months?	\$6,732
How much will I have in one year?	\$8,111

It's important to keep your Emergency Fund in a separate account so that you always have clarity on how much is truly set aside for emergencies.

ⓘ *My Analysis*

- You already have a great head start on your Emergency Fund, but it's important to continue working towards having 6 months worth of net income to fully protect yourself from the unexpected.
- Open a no-cost online high yield savings account for your Emergency Fund which will enable you to earn more interest on your cash and keep it out of sight and out of mind!
- Setting up a separate account for non-monthly expenses (like quarterly bills, travel, & wedding gifts) can help you be prepared when those expenses pop up. Contribute \$200 monthly so you have cash available when needed.
- Your Emergency Fund needs to be available when life happens. It's important to keep it in cash (not subject to investment loss), so you don't have to worry about the market being down when you need it.

Projections based on information provided in your financial profile and our call

Note: If you did not provide the data required to run the projections, an industry-standard default response was applied in order to estimate the numbers shown on this page.



Build

Buying Real Estate

Let's take a close look at what buying a house means for you and what's going to be doable based on where you are today financially. This analysis considers your debt to income ratio, your credit score, your current savings, and the likely size of your mortgage payment. At LearnVest, we strongly recommend saving 20% for a down payment plus 3% for closing costs before buying.

<i>What do I need to know?</i>	<i>What are my numbers?</i>
Could I qualify for a mortgage?	<i>Probably</i>
How much does the house I would like cost?	<i>\$250,000</i>
How much do I need?	<i>\$57,500</i>
How much do I have?	<i>\$5,000</i>
When will I reach my goal?	<i>February, 2022</i>
How much will I have in six months?	<i>\$5,000</i>
How much will I have in one year?	<i>\$6,701</i>

<i>Estimated Mortgage Payment</i>	<i>Maximum Affordable Mortgage Payment</i>	<p>! <i>My Analysis</i></p> <ul style="list-style-type: none"> • Owning a home is an important goal, but it comes with additional financial responsibilities and unexpected expenses. Let's focus on your financial foundation before saving for a down payment. • Putting 20% down when you purchase a home enables you to avoid Private Mortgage Insurance (PMI) which is an additional monthly cost that can add hundreds of dollars to your mortgage each month.
\$1,367	\$1,868	
<i>My payments will include:</i>		
P	Principal of mortgage	
I	Interest on mortgage	
T	Taxes	
I	Insurance (including PMI)	

Projections based on information provided in your financial profile and our call on February 01, 2015

Note: If you did not provide the data required to run the projections, an industry-standard default response was applied in order to estimate the numbers shown on this page.



Build

Paying Down Your Debt

It's essential to balance debt repayment with your other goals. Although paying off your loans is important, the key to financial health is building a solid foundation and finding the right balance between all of your goals.

<i>What do I need to know?</i>	<i>What are my numbers?</i>
Should I be paying off any loans faster?	<i>Yes</i>
When will my first loan be paid off?	<i>January, 2016</i>
When will all of my loans be paid off?	<i>November, 2020</i>

My Analysis

- Paying off student loans won't happen overnight, but you are on the right path with this Action Plan. While it may take longer than you'd like, remember to regularly take a step back to see your progress.
- Refinancing federal student loans with a private lender means that you may lose access to some valuable forgiveness and repayment options so be sure to do your due diligence and avoid commingling federal and private loans.
- When you pay off of your car loan, celebrate and enjoy the freedom of not having a monthly car payment! Plan to keep your car for the long-haul and dedicate those dollars to making faster progress on your goals.
- It will take time to pay off your loans, so be sure to celebrate milestones along the way. Your first loan should be paid off by January 2016 - let's focus on that as your first milestone goal.

This analysis is based on information from your online financial profile, our Strategy Session phone call, and any information provided by you during the financial planning process. Loans in this section may include student loans, personal loans, medical loans, and any other loans not yet covered in our analysis.

Note: If you did not provide the data required to run the projections, an industry-standard default response was applied in order to estimate the numbers shown on this page.



Build

Eliminating Debt: Your Loan Paydown Order

Staying organized with your loans is key. Here is an inventory of what we're working with right now.

<i>Priority</i>	<i>Loan</i>	<i>Balance</i>	<i>Payment Ends</i>
1	ACS	\$1,900	January, 2016
2	Sallie Mae	\$4,500	May, 2017
3	Great Lakes	\$14,500	November, 2020
4	Chase Auto Loan	\$10,000	May, 2018



Insurance Policy Recommendations

You can see all my recommendations (and upload copies of your policies for safe-keeping) in the "Doc Vault" section of your "Program" tab at Learnvest.com

<i>What does it do?</i>	<i>Do I need it?</i>
<p>Term Life: Term Life Insurance is designed to protect those that rely on your income (spouse, kids) and can be used to pay off large debts (mortgage, private student loans) if anything unexpected happens. The length of the term will depend on the period of time for which you need to cover this financial risk, but is often 10 - 30 years.</p>	Already Have It!
<p>Disability Insurance: Let's insure your ability to earn income. Illness or injuries can keep you out of work, which is where Short Term and Long Term Disability policies come in. If you already have a Long-Term policy, check to see if it covers you for at least 2 years in your "own occupation", which pays a benefit if you are too disabled to perform your own job (not just any job).</p>	Already Have It!
<p>Umbrella: This extra layer of insurance kicks in for legal fees and damages when your homeowner's and/or auto policies have fully paid out on a claim or lawsuit. Your assets and your future income could both be at stake in a lawsuit, especially as your wealth and income grow. It also protects against libel, vandalism, slander and invasion of privacy.</p>	Not Yet
<p>Renter's Insurance: Renter's insurance can protect you from all kinds of tragedies, from storm damage to the flood caused by your neighbor's overflowing bathtub! Check this off your list right away! Renting a fully furnished apartment? Own few assets of your own? Then renter's insurance may not be necessary.</p>	Yes
<p>Long-Term Care: Long-Term Care insurance ensures access to care when you need it. It covers costs associated with nursing-home care, home-health care, and personal or adult day care for individuals with a chronic or disabling condition that needs constant supervision. It typically provides more flexibility and care options than public assistance programs.</p>	Not Yet
<p>Automobile: Provides protection against costs associated with getting into an auto accident. Instead of paying out of pocket for auto accidents you can pay annual premiums for a policy that then pays all or most of the costs associated with an auto accident or other vehicle damage.</p>	Already Have It!
<p>Scheduled Personal Property: This is coverage that is over and above typical coverage in a homeowner's or renter's insurance policy. Scheduled personal property protects valuable items that are out of the ordinary and need to carry separate coverage to ensure that their full value is covered in the event of a claim. This may include jewelry, antiques, collections, or other items of significant value.</p>	Yes

You should seek legal counsel or talk to an insurance professional for further information on these topics.



Document Recommendations

You can see all my recommendations (and upload copies of your documents for safe-keeping) in the "Doc Vault" section of your "Program" tab at Learnvest.com

<i>What does it do?</i>	<i>Do I need it?</i>
<p>A living will is used to communicate your wishes regarding life prolonging medical treatments. This is a critical document to have as it informs your loved ones and health care providers of your wishes for life sustaining treatments in the event you are not able to speak for yourself. A living will does not become effective until a doctor certifies that you are incapacitated.</p>	Yes
<p>A medical or healthcare power of attorney designates someone to make medical decisions on your behalf in the event you're unable to do so, because a living will can not cover every possible situation. Any other POA is a written authorization to have someone act on your behalf as instructed in the form.</p>	Yes
<p>A will has specific instructions for the disposition of personal property upon your death. If you die without a will, you won't have any say in how your property will be distributed as it would pass to your survivors according to the laws of your state. If you have minor children, this document is critical if you'd like to name a guardian in the event of your death.</p>	Yes
<p>A trust is a legal arrangement where an individual gives fiduciary control of an asset to a person or institution to manage for beneficiaries. Trusts are used to control when beneficiaries have access to the assets, offer protection from creditors or the inability to manage money, and affords privacy by not being subject to the probate process, which is public record.</p>	Not Yet
<p>Beneficiary forms are important because a named beneficiary designation overrides your will so the assets bypass the probate process. You'll want to name primary and contingent beneficiaries.</p>	Yes
<p>A transfer on death (TOD) and a payable on death (POD) instruction functions like a beneficiary designation, whereby upon your death the assets automatically go to the individual(s) listed bypassing the probate process. POD instructions are used for bank accounts such as checking, savings, and CDs. TOD instructions are used for securities-based assets such as stocks, bonds, and mutual funds.</p>	Yes

You should seek legal counsel or talk to an insurance professional for further information on these topics.



Let's put your new budget in place.

Here's what your monthly spending and saving should look like moving forward. Make sure to update your LearnVest dashboard to match, check your Goal Calendar for your goal contributions each month, and look out for Challenges from me with next steps for making progress!

<i>Monthly Net Income</i>	\$4,826
Fixed Costs These are expenses you can set and (mostly) forget, including:	\$2,647
Min Debt Pmts. \$791 Rent \$1,100 Internet \$200 Cable \$153 Cell Phone \$110 Other \$293	
Non-Monthly Expenses These are expenses that don't occur every month, like quarterly payments, gifts, or weekend trips. We'll contribute to savings regularly so you don't get caught off-guard when these expenses arise.	\$192
Goals (Priorities) These are the goals we've discussed that you'll be contributing to. Your Goal Calendar will show specific contribution amounts for each month.	\$629
Flexible Spending These are lifestyle expenses like groceries, restaurants, entertainment, and shopping. I've divided your monthly flex amount into a weekly target to help you stay on track!	\$1,358

Your Flex Spending

Your Monthly Flex Costs

\$1,358

Your Weekly Flex Spending Target

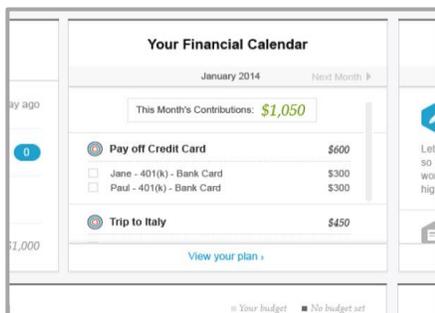
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\$310



What's Next?

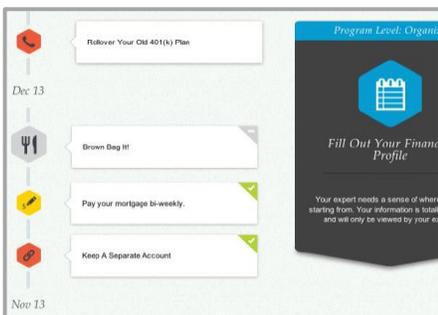
Your LearnVest dashboard is designed to help you integrate your Action Program into your everyday life.



Your Goal Calendar

learnvest.com/mylv/money/#dashboard

Use your Financial Calendar to see my recommendations for what to contribute to each of your goals every month. Check them off as you go!



Challenges

learnvest.com/mylv/money/#program/challenges

Challenges are a cornerstone to making progress in your Action Program. Some of the Challenges I assign will be specific to implementing parts of your plan, and some are to help you stay on track with your money life, like reminding you of key things to review based on the time of year.



Program Dashboard

learnvest.com/mylv/money/#dashboard

Your dashboard is the first thing you'll see when you log in to your LearnVest account. In addition to being the home for your Commitment Calendar and Challenges, you'll also be able to quickly see your overall progress.

I'm looking forward to helping you achieve your goals!

--Christopher Pimpo, CFP®, ChFC®
LearnVest Planner



Disclosures

Information in this Financial Plan is for educational purposes only. Calculations are all estimates based on information from the financial profile you completed at learnvest.com and any information provided by you during the financial planning process. LVPS assumes all information you have provided is accurate and does not independently verify the accuracy of any such information. The suggestions here are neither appropriate for the purposes of making a decision to carry out a transaction or trade, nor do they provide any tax or legal advice or make any recommendations regarding particular financial instruments, investments, or products. LVPS and its Planners are not brokers, dealers, attorneys, tax advisors, or insurance agents. LVPS is a Registered Investment Adviser. MATERIALS ARE FOR EXISTING CLIENT USE ONLY. Recommendations made by LVPS are for you, the paid client, and this information is based upon information supplied to LVPS by you, the paid client.

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