



# Mapping Your Financial Future

**John and Susan Sample**

**1234 Sample Street  
Jacksonville, FL 32225**

*Presented by:*  
Mr. Jeff Stoeber

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# Introduction

*When planning for your future financial security, it is important to set goals, initiate action, and periodically review your progress.*

*Remember...a sound financial plan can be more important than a lifetime of work!*

*This analysis uses the information you have shared about your current financial situation and your goals for the future.*

*The following pages analyze your needs:*

- *In the event of death*
- *For college funding*
- *For your retirement years*
- *In the event of a disability*
- *For long-term care*

## A sound financial plan...

## ...can be more important than a lifetime of work.



### *Important Note...*

This financial analysis compares your investments and savings strategy with your financial priorities and concerns. It provides only a broad, general guideline, which may be helpful in shaping your financial thinking about investment objectives and risk tolerance. The reports and graphs are dependent upon the quality and accuracy of data furnished by you.

This analysis is for estimating purposes only and must be reviewed periodically. Past performance is not indicative of future results. Your attorney and accountant should be consulted regarding legal and tax implications. A current prospectus must be read carefully when considering any investment in securities.

No liability is assumed resulting from the use of the information contained in this analysis. Responsibility for financial decisions is assumed by you. It is important to revise your plans periodically in light of your experiences and changing goals.



**Liabilities**

Name	Amount	Monthly Payment	Final Payment Due	Interest Rate
Mortgage	\$2,400	\$0		0.00%
Home Equity loan	\$15,000	\$150		0.00%
Boat Loan	\$25,000	\$225		0.00%

**Needs In The Event Of Death**

Income Needs Objective	With children at home: 70.00%	No children at home: 50.00%
Provide Income for	Lifetime	
Fund Children's Education	Yes	

**Life Insurance Policies**

Name	Company	Insurance Benefit	Annual Premium	Type
John	Group Work	\$50,000	\$0	Group
John	Sample Insurance	\$100,000	\$0	Whole Life
Susan	Group Work	\$50,000	\$0	Group
Susan	Sample Insurance	\$100,000	\$0	Whole Life

**College Funding**

Child's Name	School	Annual Amount (in Today's Dollars)	Years Needed	Percent Want To Provide
Madison Sample	University of North Florida	\$8,569	4	100%
Delaney Sample	University of Florida	\$8,950	4	100%
Shane Sample	Florida State University	\$9,295	4	100%
Austin Sample	Florida Institute of Technology	\$27,500	4	100%

Total Funds Presently Available	Monthly Savings	Rate of Return
\$4,000	\$0	8.00%

**Retirement Needs**

Desired Retirement Age	John: 65	Susan: 65
Employer Offers Retirement Plans	Yes	Yes
Maximum amount being contributed	No	No
Percentage of pre-retirement income during retirement	100.00%	

**Long-Term Disability**

Annual Employment Income	\$75,000	\$35,000
Disability income replacement objective:	John - 60.00%	Susan - 60.00%

**Existing Insurance**

Insured	Company	Monthly Benefit	Group/Personal	Annual Premium	Waiting Period (Months)	Benefit Period
John	Work Short Term Disab	\$3,250	Group	\$0	1 month	6 months
Susan	Work Short Term Disab	\$1,750	Group	\$0	1 month	6 months

**Long-Term Care**

Estimated monthly long-term care costs:	\$5,500
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**Planning Assumptions Used In This Analysis**

<b>Rate of Return on Assets</b>	
During Retirement.....	6.00%
In the Event of Death.....	8.00%
For College Needs.....	8.00%
<b>Number of month's income to set aside for emergency reserves.....</b>	
	3
Long-term inflation rate.....	4.00%
Long-term inflation rate for College Costs.....	8.00%
Life expectancy age.....	100
Final Expenses.....	\$15,000

# Life Insurance

There are a number of types of policies, each with a different approach to fulfilling one's needs for life insurance. Key considerations are the duration of the need, premium budget, and the purpose for the need. You will also want to take into consideration your own attitude about buying policies with underlying guarantees versus policies which shift more risk to the policy owner, and issues surrounding finding the best "short-term price" versus considerations of lowest "long-term cost." Your age and your general health may also affect your policy choices.

<i>Policy Type</i>	<i>Duration of need</i>	<i>Premium Budget</i>	<i>Purpose</i>	<i>Dominant Benefit</i>
<b>Term</b>	5-15 years	Low	Short-term protection	Initially inexpensive
<b>Whole Life</b>	15+ years	High	Long-term protection	Guaranteed premiums
<b>Blended Whole Life</b>	15+ years	Medium	Long-term protection	Initially flexible premiums
<b>Universal Life</b>	10+	Medium	Long-term protection	Flexible premiums
<b>Variable Life</b>	20+ years	Med-High	Long-term protection	For those with tolerance for risk: an opportunity to direct the investment of policy cash values

Tax advantages, liquidity at death, family benefits ... these are a few of the attributes of life insurance. And, life insurance is a product that can provide a known sum at an unknown time.

"A spouse might not believe in life insurance ... but widows and widowers always do."

# Life Expectancy Table

## Life Expectancy in Years

At Age	Male	Female
0	72.4	79.0
1	72.0	78.5
2	71.0	77.6
3	70.1	76.6
4	69.1	75.6
5	68.1	74.7
6	67.1	73.7
7	66.1	72.7
8	65.2	71.7
9	64.2	70.7
10	63.2	69.7
11	62.2	68.7
12	61.2	67.7
13	60.2	66.7
14	59.2	65.8
15	58.3	64.8
16	57.3	63.8
17	56.4	62.8
18	55.4	61.9
19	54.5	60.9
20	53.6	59.9
21	52.7	59.0
22	51.8	58.0
23	50.8	57.0
24	49.9	56.0
25	49.0	55.1
26	48.1	54.1
27	47.2	53.1
28	46.2	52.2
29	45.3	51.2
30	44.4	50.2
31	43.5	49.3
32	42.6	48.3
33	41.7	47.4
34	40.8	46.4
35	39.9	45.5
36	39.0	44.1
37	38.1	43.6
38	37.2	42.6
39	36.3	41.7
40	35.4	40.7
41	34.6	39.8
42	33.7	38.8
43	32.8	37.9
44	31.9	37.0
45	31.1	36.1
46	30.2	35.1
47	29.3	34.2
48	28.5	33.3
49	27.6	32.4
50	26.8	31.5
51	26.0	30.6
52	25.1	29.7
53	24.3	28.8
54	23.5	28.0
55	22.7	27.1
56	21.9	26.3
57	21.1	25.4
58	20.3	24.6
59	19.6	23.7
60	18.8	22.9
61	18.1	22.1
62	17.4	21.3
63	16.7	20.5
64	16.0	19.8
65	15.3	19.0
66	14.7	18.3
67	14.1	17.5
68	13.4	16.8
69	12.8	16.1
70	12.3	15.4
71	11.7	14.7
72	11.1	14.0
73	10.6	13.4
74	10.0	12.7
75	9.5	12.1
76	9.0	11.5
77	8.5	10.8
78	8.0	10.3
79	7.5	9.7
80	7.1	9.1
81	6.7	8.6
82	6.3	8.1
83	5.9	7.6
84	5.5	7.1
85	5.2	6.6

Source: Office of the Chief Actuary, Social Security Administration (April 1998)

# Types of Life Insurance

## *Decreasing Term*

Level premiums and decreasing death benefit. No cash accumulation. Frequently used for short-term decreasing financial liabilities, like a mortgage.

## *Annual Renewable Term*

Increasing premiums with level death benefit. No cash accumulation. The strength of term is its low cost for large death benefits, particularly beneficial to younger families with limited resources and the need for maximum protection.

## *Level Term*

Premiums stay level for stated term. Usually 5, 10, 15, or 20 years. Level death benefit. No cash value. Frequently used to cover short or intermediate-term obligations.

## *Cash Value - Ordinary Life or Whole Life*

Premiums and death benefit are level. Cash accumulation. Provides for long-term needs, such as survivor income for a spouse or minor children. Other uses could include paying off debt and paying estate taxes.

## *Universal Life*

Premiums and death benefit are flexible. The monthly cost of insurance and administrative charges are deducted, the balance of the premium goes to cash values. The benefits and uses are very similar to Whole Life. Cash values can increase based on current interest rates.

## *Variable Life*

Premiums and death benefit may be flexible. Cash accumulation is directly affected by the performance of the separate accounts selected. Clients allocate their cash values among various types of investment options such as stock funds, bond funds, money market funds, etc. Cash values may increase or decrease depending on account performance.

## *Single Premium Life*

A single premium paid up front. Level minimum death benefit. Cash accumulation. Provides long-term security. Different tax rules generally apply.

## *First To Die*

May have flexible premiums and death benefits. Provides death benefits at the death of the first of two or more parties covered by the policy. Most often used in business insurance situations.

## *Survivorship Life*

May have flexible premium with a level minimum death benefit. Most often used to pay death taxes and expenses due at second death.

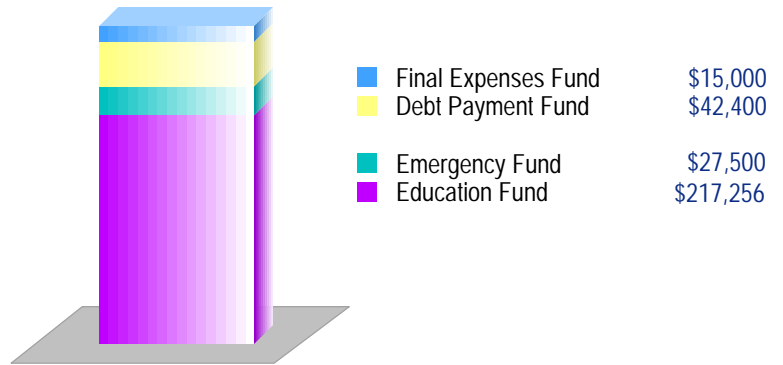
Mutual funds and Variable Products are sold through registered representatives only and must be accompanied by a prospectus. Read the prospectus carefully prior to investing or sending money.

# Financial Needs in the Event of John's Death

This analysis shows the financial impact John's death can have on your family. Funds need to be available for both Cash Needs and a family's continuing Income Needs. John and Susan, you need \$302,156 for your immediate cash needs. Cash Needs include:

- A Final Expenses fund for medical, legal, funeral, and other expenses
- A Debt Payment Fund to pay off your debts, including your mortgage
- An Emergency Reserve Fund for unexpected bills not readily payable from current income
- An Education Fund to provide for your children's education

Total Immediate Cash Needs: \$302,156



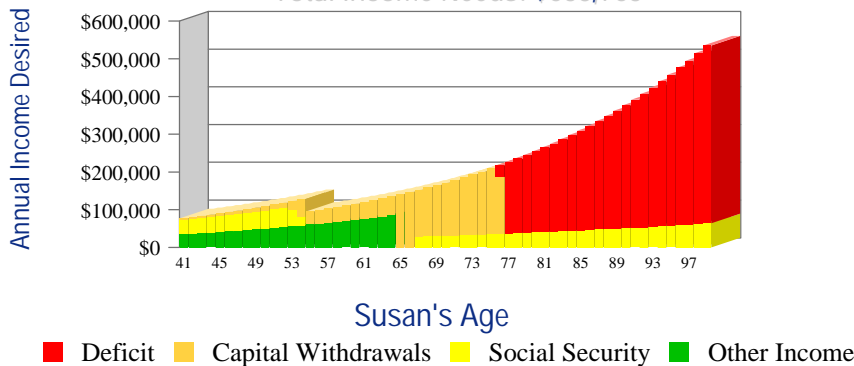
After a death, income generally comes from four different sources:

- Social Security
- Savings and Investments
- Life Insurance Proceeds
- Survivor's Earnings

Financial experts generally recommend that 70% of total household income be available after the death of a wage earner while there are children at home and 50% thereafter.

Based on the above assumptions, this analysis suggests that your plan may not meet your goals. Your current household income is \$110,000. If John were to die today, it is estimated that your assets would be sufficient to meet your family's Immediate Cash Needs. However, your family's Income Needs will only be 88% satisfied. To fully provide for your family's needs you will need additional capital of \$184,919.

Total Income Needs: \$538,763



Susan's Age

■ Deficit ■ Capital Withdrawals ■ Social Security ■ Other Income

### Summary

Cash Needs:	\$302,156
Income Needs:	538,763
<i>Less Present Funds</i>	<i>656,000</i>
<b>Additional Capital Needs</b>	<b>\$184,919</b>

# Survivor Needs Detail

## In the Event of John's Death

### Assumptions

Income Replacement % of Total Household Income with Dependents	70%
Income Replacement % of Total Household Income without Dependents	50%
Inflation	4.00%
Survivor Rate of Return	8.00%
Susan's Mortality	100

### Income Objective

Susan's Age	Income Need %	Annual Need (Today's Dollars)	Annual Need (Future Dollars)	Capital Value
41	70%	\$77,000	\$77,000	\$823,915
55	50%	55,000	95,242	690,676

### Total Capital Needed to Provide Income Objective

**\$1,514,591**

### Income Sources

Susan's Income Sources	Payment In Today's Dollars	From	To	COLA	First Year's Payment	Capital Value
Employment	\$35,000	41	65	4.00%	\$35,000	\$543,622
Social Security	39,118	41	100	2.50%	39,118	432,206

### Total Income Sources

**\$975,828**

### Capital Needed to Meet Income Goals

**\$538,763**

### Immediate Cash Needs

<i>Final Expenses</i>	\$15,000
<i>Debt Payment Fund</i>	\$42,400
Mortgage:	\$2,400
Home Equity loan	15,000
Boat Loan	25,000
<i>Emergency Reserve Fund</i>	\$27,500
<i>Education Fund</i>	\$217,256
Madison Sample: Lump Sum needed today	\$34,276
\$8,569 needed for 4 years starting in 11 years.	

Continued...

Delaney Sample: Lump Sum needed today \$8,950 needed for 4 years starting in 12 years.	\$35,800
Shane Sample: Lump Sum needed today \$9,295 needed for 4 years starting in 13 years.	\$37,180
Austin Sample: Lump Sum needed today \$27,500 needed for 4 years starting in 14 years.	\$110,000

<b>Total Immediate Cash Needs</b>	<b>\$302,156</b>
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<b>Total Capital Needed to Meet Objectives</b>	<b>\$840,919</b>
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<b>Capital Available</b>	
<b>Account Name</b>	<b>Market Value</b>
Education Funds	\$4,000
Home	300,000
Boat	25,000
Savings Acct	4,000
Checking Acct	3,000
Sample Investments Act	125,000
Work 401K	15,000
IRA Sample Investments	15,000
Work 401K	10,000
IRA Sample Investments	5,000
Life Insurance	150,000

<b>Total Capital Available</b>	<b>\$656,000</b>
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<b>Additional Capital Needed to Meet Objectives</b>	<b>\$184,919</b>
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# Financial Needs Timeline

## In the Event of John's Death

	<b>Beginning Balance:</b>				<b>\$353,844</b>
<i>Susan's Age</i>	<i>Annual Income Desired</i>	<i>Social Security</i>	<i>Other Income</i>	<i>Interest And Dividends</i>	<i>Balance</i>
41	\$77,000	\$39,118	\$35,000	\$28,184	\$379,146
42	80,080	40,096	36,400	30,178	405,740
43	83,283	41,098	37,856	32,274	433,685
44	86,615	42,126	39,370	34,476	463,042
45	90,079	43,179	40,945	36,788	493,875
46	93,682	44,258	42,583	39,217	526,251
47	97,430	45,365	44,286	41,767	560,240
48	101,327	46,499	46,058	44,444	595,913
49	105,380	47,661	47,900	47,253	633,348
50	109,595	48,853	49,816	50,200	672,621
51	113,979	50,074	51,809	53,292	713,817
52	118,538	51,326	53,881	56,534	757,021
53	123,279	45,083	56,036	59,613	794,473
54	128,211	23,105	58,278	61,552	809,197
55	95,242	0	60,609	63,253	837,816
56	99,052	0	63,033	65,483	867,280
57	103,014	0	65,554	67,778	897,599
58	107,135	0	68,177	70,140	928,781
59	111,420	0	70,904	72,567	960,832
60	115,877	0	73,740	75,062	993,757
61	120,512	0	76,689	77,624	1,027,558
62	125,332	0	79,757	80,253	1,062,236
63	130,346	0	82,947	82,949	1,097,786
64	135,559	0	86,265	85,712	1,134,204
65	140,982	0	0	84,699	1,077,921
66	146,621	0	0	79,955	1,011,255
67	152,486	29,023	0	75,613	963,405
68	158,585	29,749	0	71,555	906,124
69	164,929	30,492	0	66,733	838,420
70	171,526	31,255	0	61,067	759,216
71	178,387	32,036	0	54,470	667,334
72	185,522	32,837	0	46,848	561,497
73	192,943	33,658	0	38,099	440,310
74	200,661	34,499	0	28,109	302,257
75	208,687	35,362	0	16,758	145,690
76	217,035	36,246	0	3,913	(31,186)
77	225,716	37,152	0	(10,570)	(230,321)
78	234,745	38,081	0	(26,848)	(453,833)

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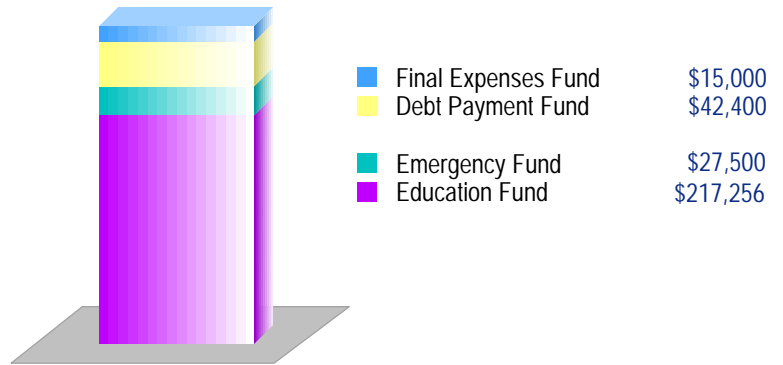
79	244,135	39,033	0	(45,090)	(704,025)
80	253,900	40,008	0	(65,482)	(983,398)
81	264,056	41,009	0	(88,224)	(1,294,669)
82	274,618	42,034	0	(113,534)	(1,640,788)
83	285,603	43,085	0	(141,649)	(2,024,955)
84	297,027	44,162	0	(172,825)	(2,450,645)
85	308,908	45,266	0	(207,342)	(2,921,629)
86	321,265	46,398	0	(245,501)	(3,441,998)
87	334,115	47,557	0	(287,631)	(4,016,187)
88	347,480	48,746	0	(334,088)	(4,649,008)
89	361,379	49,965	0	(385,257)	(5,345,679)
90	375,834	51,214	0	(441,556)	(6,111,854)
91	390,868	52,495	0	(503,439)	(6,953,666)
92	406,502	53,807	0	(571,397)	(7,877,759)
93	422,762	55,152	0	(645,963)	(8,891,332)
94	439,673	56,531	0	(727,714)	(10,002,188)
95	457,260	57,944	0	(817,275)	(11,218,779)
96	475,550	59,393	0	(915,324)	(12,550,261)
97	494,572	60,878	0	(1,022,593)	(14,006,549)
98	514,355	62,400	0	(1,139,878)	(15,598,383)
99	534,929	63,959	0	(1,268,039)	(17,337,392)

# Financial Needs in the Event of Susan's Death

This analysis shows the financial impact Susan's death can have on your family. Funds need to be available for both Cash Needs and a family's continuing Income Needs. John and Susan, you need \$302,156 for your immediate cash needs. Cash Needs include:

- A Final Expenses fund for medical, legal, funeral, and other expenses
- A Debt Payment Fund to pay off your debts, including your mortgage
- An Emergency Reserve Fund for unexpected bills not readily payable from current income
- An Education Fund to provide for your children's education

Total Immediate Cash Needs: \$302,156

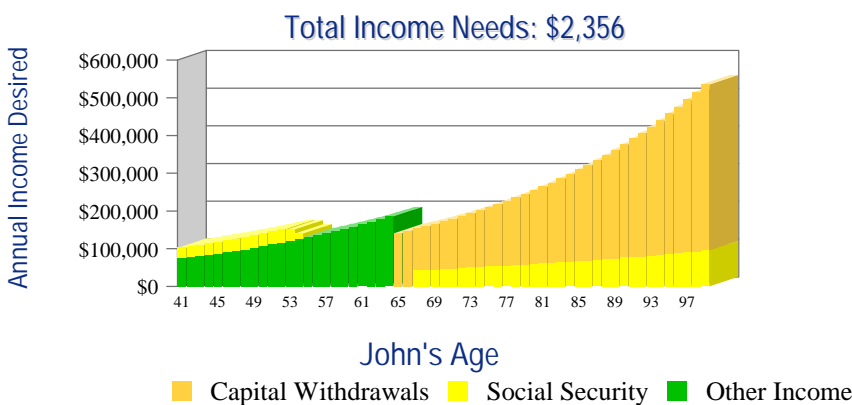


After a death, income generally comes from four different sources:

- Social Security
- Savings and Investments
- Life Insurance Proceeds
- Survivor's Earnings

Financial experts generally recommend that 70% of total household income be available after the death of a wage earner while there are children at home and 50% thereafter.

Based on the above assumptions, this analysis suggests that your plan may meet your goals. Your current household income is \$110,000. If Susan were to die today, it is estimated that your assets would be sufficient to meet both your family's Immediate Cash Needs and Income Needs.



<i>Summary</i>	
Cash Needs:	\$302,156
Income Needs:	2,356
<i>Present Funds</i>	<i>656,000</i>
<b>Surplus Capital Available</b>	<b>\$351,488</b>

# Survivor Needs Detail

## In the Event of Susan's Death

### Assumptions

Income Replacement % of Total Household Income with Dependents	70%
Income Replacement % of Total Household Income without Dependents	50%
Inflation	4.00%
Survivor Rate of Return	8.00%
John's Mortality	100

### Income Objective

John's Age	Income Need %	Annual Need (Today's Dollars)	Annual Need (Future Dollars)	Capital Value
41	70%	\$77,000	\$77,000	\$823,915
55	50%	\$55,000	\$95,242	\$690,676

### Total Capital Needed to Provide Income Objective

**\$1,514,591**

### Income Sources

John's Income Sources	Payment In Today's Dollars	From	To	COLA	First Year's Payment	Capital Value
Employment	\$75,000	41	65	4.00%	\$75,000	\$1,164,903
Social Security	27,079	41	100	2.50%	27,079	347,331

### Total Income Sources

**\$1,512,235**

### Capital Needed to Meet Income Goals

**\$2,356**

### Immediate Cash Needs

<i>Final Expenses</i>	\$15,000
<i>Debt Payment Fund</i>	\$42,400
Mortgage:	\$2,400
Home Equity loan	15,000
Boat Loan	25,000
<i>Emergency Reserve Fund</i>	\$27,500
<i>Education Fund</i>	\$217,256
Madison Sample: Lump Sum needed today	\$34,276
\$8,569 needed for 4 years starting in 11 years.	
Delaney Sample: Lump Sum needed today	\$35,800

Continued...

\$8,950 needed for 4 years starting in 12 years. Shane Sample: Lump Sum needed today	\$37,180
\$9,295 needed for 4 years starting in 13 years. Austin Sample: Lump Sum needed today	\$110,000
\$27,500 needed for 4 years starting in 14 years.	

<b>Total Immediate Cash Needs</b>	<b>\$302,156</b>
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<b>Total Capital Needed to Meet Objectives</b>	<b>\$304,512</b>
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<b>Capital Available</b>	
<b>Account Name</b>	<b>Market Value</b>
Education Funds	\$4,000
Home	300,000
Boat	25,000
Savings Acct	4,000
Checking Acct	3,000
Sample Investments Act	125,000
Work 401K	15,000
IRA Sample Investments	15,000
Work 401K	10,000
IRA Sample Investments	5,000
Life Insurance	150,000

<b>Total Capital Available</b>	<b>\$656,000</b>
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<b>Surplus Capital Available</b>	<b>\$351,488</b>
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# Financial Needs Timeline

## In the Event of Susan's Death

					<b>Beginning Balance:</b>	<b>\$353,844</b>
<i>John's Age</i>	<i>Annual Income Desired</i>	<i>Social Security</i>	<i>Other Income</i>	<i>Interest And Dividends</i>	<i>Balance</i>	
41	\$77,000	\$27,079	\$75,000	\$29,382	\$408,305	
42	80,080	27,756	78,000	33,764	467,745	
43	83,283	28,450	81,120	38,545	532,577	
44	86,615	29,161	84,365	43,759	603,248	
45	90,079	29,890	87,739	49,440	680,238	
46	93,682	30,638	91,249	55,627	764,069	
47	97,430	31,404	94,899	62,362	855,305	
48	101,327	32,189	98,695	69,690	954,552	
49	105,380	32,994	102,643	77,660	1,062,468	
50	109,595	33,818	106,748	86,324	1,179,763	
51	113,979	34,664	111,018	95,739	1,307,205	
52	118,538	35,530	115,459	105,966	1,445,623	
53	123,279	29,954	120,077	116,795	1,589,170	
54	128,211	15,351	124,881	127,648	1,728,840	
55	95,242	0	129,876	139,790	1,903,263	
56	99,052	0	135,071	153,804	2,093,086	
57	103,014	0	140,474	169,051	2,299,596	
58	107,135	0	146,093	185,636	2,524,190	
59	111,420	0	151,936	203,670	2,768,377	
60	115,877	0	158,014	223,275	3,033,789	
61	120,512	0	164,334	244,580	3,322,191	
62	125,332	0	170,908	267,727	3,635,493	
63	130,346	0	177,744	292,869	3,975,761	
64	135,559	0	184,854	320,172	4,345,227	
65	140,982	0	0	341,581	4,545,826	
66	146,621	0	0	357,387	4,756,592	
67	152,486	43,278	0	375,851	5,023,235	
68	158,585	44,360	0	396,967	5,305,977	
69	164,929	45,469	0	419,362	5,605,880	
70	171,526	46,606	0	443,121	5,924,080	
71	178,387	47,771	0	468,333	6,261,797	
72	185,522	48,965	0	495,096	6,620,335	
73	192,943	50,189	0	523,514	7,001,095	
74	200,661	51,444	0	553,698	7,405,575	
75	208,687	52,730	0	585,767	7,835,385	
76	217,035	54,048	0	619,851	8,292,250	
77	225,716	55,399	0	656,086	8,778,019	
78	234,745	56,784	0	694,621	9,294,679	

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79	244,135	58,204	0	735,612	9,844,360
80	253,900	59,659	0	779,231	10,429,350
81	264,056	61,151	0	825,659	11,052,103
82	274,618	62,679	0	875,092	11,715,257
83	285,603	64,246	0	927,741	12,421,641
84	297,027	65,852	0	983,831	13,174,298
85	308,908	67,499	0	1,043,606	13,976,494
86	321,265	69,186	0	1,107,325	14,831,740
87	334,115	70,916	0	1,175,268	15,743,809
88	347,480	72,689	0	1,247,737	16,716,755
89	361,379	74,506	0	1,325,055	17,754,937
90	375,834	76,369	0	1,407,571	18,863,042
91	390,868	78,278	0	1,495,657	20,046,110
92	406,502	80,235	0	1,589,717	21,309,559
93	422,762	82,241	0	1,690,182	22,659,219
94	439,673	84,297	0	1,797,519	24,101,362
95	457,260	86,404	0	1,912,228	25,642,734
96	475,550	88,564	0	2,034,847	27,290,595
97	494,572	90,778	0	2,165,956	29,052,757
98	514,355	93,048	0	2,306,179	30,937,628
99	534,929	95,374	0	2,456,187	32,954,259