

FAMILY EDUCATION FUNDING ANALYSIS
For Robert M. and Mary M.

Education Objectives

Child	Inflated Annual Need	--Lump Sum Deposit-- at Start of Need	Sum Deposit-- Immediate	Level Deposits Annual	Monthly	Increasing 6% Yearly Annual	Deposits Increase Monthly
Son	21,329	83,090	30,922	3,606	300	2,640	220
Daughter	23,966	93,360	29,843	3,212	268	2,246	187
Total			60,765	6,818	568	4,887	407

Education needs are assumed to grow at an annual inflation rate of 6.00%, while the fund deposits are accumulated at 7.90%.

Annual Cash Flow Based on Level Annual Deposits

Year	Children in School	Fund: Beginning of Year	Total Annual Need	Annual Deposit	Net Deposit/Withdrawal From Fund	Balance on Deposit	Annual Fund Growth
1991	0	0	0	6,818	6,818	6,818	539
1992	0	7,356	0	6,818	6,818	14,174	1,120
1993	0	15,293	0	6,818	6,818	22,111	1,747
1994	0	23,858	0	6,818	6,818	30,675	2,423
1995	0	33,098	0	6,818	6,818	39,916	3,153
1996	0	43,069	0	6,818	6,818	49,887	3,941
1997	0	53,828	0	6,818	6,818	60,645	4,791
1998	0	65,436	0	6,818	6,818	72,254	5,708
1999	0	77,962	0	6,818	6,818	84,779	6,698
2000	0	91,477	0	6,818	6,818	98,294	7,765
2001	0	106,060	0	6,818	6,818	112,877	8,917
2002	0	121,794	0	6,818	6,818	128,612	10,160
2003	0	138,772	0	6,818	6,818	145,590	11,502
2004	1	157,091	21,329	3,212	-18,118	138,974	10,979
2005	1	149,953	22,609	3,212	-19,397	130,555	10,314
2006	2	140,869	47,931	0	-47,931	92,938	7,342
2007	2	100,280	50,807	0	-50,807	49,473	3,908
2008	1	53,381	26,928	0	-26,928	26,454	2,090
2009	1	28,543	28,543	0	-28,543	0	0

DISABILITY INCOME NEEDS ANALYSIS
For Robert M. and Mary M.

	Robert	Mary
Monthly Income Replacement Goal	\$2,438	\$0
<p style="margin-left: 40px;">Client's income replacement goal is 65% of salary. Spouse's income replacement goal is 60% of salary.</p>		
Investment Income	\$0	\$0
Social Security Disability Benefit*	\$1,073	\$0
Personal Disability Insurance	\$0	\$0
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Total Monthly Income	\$1,073	\$0
	=====	=====
Additional Monthly Disability Income Need	\$1,365	\$0



- * To receive social security disability benefit you must be:
- 1) under age 65, and
 - 2) unable to perform any gainful work, and
 - 3) expecting at least 12 months of disability or for the disability to result in death.

Social security disability benefits shown do not include an additional benefit of 50% of disabled worker's PIA, available until youngest child reaches 18 years of age.

FINANCIAL ANALYSIS

Prepared For

Robert M. and Mary M.

Presented By

The O'Neill Company

12-02-1991

NET WORTH ANALYSIS
For Robert M. and Mary M.

Fixed Assets (Non-Liquid):	Robert	Mary	Total
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Residence	\$75,000	\$75,000	\$150,000
Furnishings	\$7,500	\$7,500	\$15,000
Personal Effects	\$500	\$500	\$1,000
Autos	\$6,000	\$6,000	\$12,000
Jewelry	\$1,000	\$1,000	\$2,000
Collection	\$750	\$750	\$1,500
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Total Fixed Assets	\$90,750	\$90,750	\$181,500
Liquid Assets:			
Checking Accounts	\$250	\$250	\$500
Savings Accounts	\$1,250	\$1,250	\$2,500
CV: Robert/Group Life	\$0	\$0	\$0
Robert/401(K)	\$12,000	\$0	\$12,000
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Total Liquid Assets	\$13,500	\$1,500	\$15,000
Total Assets	=====	=====	=====
	\$104,250	\$92,250	\$196,500
Present Liabilities:			
Residence First Mtg	\$65,000	\$65,000	\$130,000
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Total Liabilities	\$65,000	\$65,000	\$130,000
Net Worth	=====	=====	=====
	\$39,250	\$27,250	\$66,500

INSURANCE AND PENSION SUMMARY
For Robert M. and Mary M.

Liquidity Generated at	Robert's Death:		
Description	Amount	Owner	Beneficiary
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Robert/Group Life	\$140,000	Joint	Mary
Robert/401(K)	\$12,000	Robert	Mary
Total	\$152,000		

SURVIVOR NEEDS ANALYSIS
For Robert M. and Mary M.

Your Family's Needs in the Event of Robert's Premature Death

Immediate Cash Needs

Mortgage Balance, Other Loans		\$130,000
Educational Fund		\$60,765
Total Cash Needs		<u>\$190,765</u>

Your Family's Income Needs

Monthly Needs for	-----Spouse and----- Children	One Child	Spouse Alone	Spouse 65&After
Income Need	2727	5079	4275	8762
Social Security	1609	1290	0	3190
Spouse's Income	0	0	0	0
Net Income Need	1118	3789	4275	5571

Funds Required To Provide Needed Income**	\$465,519
Total Estate Requirements	<u>\$656,283</u>
Total Liquidity Available	<u>\$155,000</u>
Liquidity Shortage At Client's Death	<u><u>\$501,283</u></u>



**Funds are discounted at 7.90%

INCOME FLOW ANALYSIS
For Robert M. and Mary M.
After Robert's Death

Immediate Liquid Assets	\$155,000
Less Cash Needs (Not Incl. Education)	-130,000
Plus Additional Capital Required	501,283
	\$526,283
Amount on Deposit	\$526,283

Year	Age	Fund: Beginning of Year	Total Annual Need	Social Security	Mary's Salary/ Income	Net Deposit/ Withdrawal From Fund*	Balance on Deposit	Annual Fund Growth
1991	35	526283	32724	19310	0	-13414	512870	40517
1992	36	553387	34327	20025	0	-14303	539084	42588
1993	37	581672	36010	20766	0	-15244	566428	44748
1994	38	611176	37774	21534	0	-16240	594936	47000
1995	39	641936	39625	22331	0	-17294	624642	49347
1996	40	673988	41567	23157	0	-18409	655579	51791
1997	41	707370	43603	24014	0	-19589	687780	54335
1998	42	742115	45740	24902	0	-20837	721278	56981
1999	43	778258	47981	25824	0	-22157	756101	59732
2000	44	815833	50332	26779	0	-23553	792280	62590
2001	45	854870	52798	27770	0	-25028	829842	65558
2002	46	895400	55386	28798	0	-26588	868812	68636
2003	47	937448	58100	29863	0	-28236	909212	71828
2004	48	981039	62276	31057	0	-30021	949191	75307
2005	49	986473	66542	32487	0	-31955	915988	72363
2006	50	988352	99232	0	0	-99232	889119	70240
2007	51	959360	104622	0	0	-104622	854738	67524
2008	52	922262	83380	0	0	-83380	838882	66272
2009	53	905154	87761	0	0	-87761	817392	64574
2010	54	881966	62120	0	0	-62120	819847	64768
2011	55	884614	65164	0	0	-65164	819451	64737
2012	56	884187	68357	0	0	-68357	815831	64451
2013	57	880281	71706	0	0	-71706	808575	63877
2014	58	872453	75220	0	0	-75220	797233	62981
2015	59	860214	78906	0	0	-78906	781309	61723

*If the total annual need is less than the total of Social Security plus spouse Salary/Income, thus creating a cash flow surplus, the Deposit/Withdrawal column indicates a deposit to the fund as a positive number. In other words, any income surplus over the specified annual need is invested into the income fund.

Annual Needs are inflated at an annual rate of 4.90%.
Balance on Deposit produces Annual Fund Growth of 7.90%.

INCOME FLOW ANALYSIS
For Robert M. and Mary M.
After Robert's Death

Immediate Liquid Assets	\$155,000
Less Cash Needs (Not Incl. Education)	-130,000
Plus Additional Capital Required	501,283

Amount on Deposit	\$526,283

Year	Age	Fund: Beginning of Year	Total Annual Need	Social Security	Mary's Salary/ Income	Net Deposit/ Withdrawal From Fund*	Balance on Deposit	Annual Fund Growth
2016	60	843032	82772	0	0	-82772	760260	60061
2017	61	820321	86828	0	0	-86828	733493	57946
2018	62	791439	91082	0	0	-91082	700357	55328
2019	63	755685	95545	0	0	-95545	660139	52151
2020	64	712290	100227	0	0	-100227	612063	48353
2021	65	660416	105138	38284	0	-66854	593563	46891
2022	66	640454	110290	39701	0	-70589	569865	45019
2023	67	614884	115694	41170	0	-74524	540360	42688
2024	68	583048	121363	42693	0	-78670	504378	39846
2025	69	544224	127310	44273	0	-83037	461187	36434
2026	70	497621	133548	45911	0	-87637	409983	32389
2027	71	442372	140092	47610	0	-92483	349889	27641
2028	72	377531	146957	49371	0	-97585	279945	22116
2029	73	302061	154157	51198	0	-102960	199101	15729
2030	74	214830	161711	53092	0	-108619	106211	8391
2031	75	114602	169635	55057	0	-114578	23	2
2032	76	25						

*If the total annual need is less than the total of Social Security plus spouse Salary/Income, thus creating a cash flow surplus, the Deposit/Withdrawal column indicates a deposit to the fund as a positive number. In other words, any income surplus over the specified annual need is invested into the income fund.

Annual Needs are inflated at an annual rate of 4.90%.
Balance on Deposit produces Annual Fund Growth of 7.90%.

RETIREMENT INCOME OBJECTIVES
For Robert M. and Mary M.

Anticipated Retirement Age: 65	
Monthly Income Need--Current Dollars	\$3,846
Monthly Income Need--Adjusted For 4.90% Annual Inflation	\$16,154
Social Security Monthly Retirement Benefit (Robert)	\$3,190
Social Security Monthly Retirement Benefit (Mary)	\$1,595
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Net Monthly Retirement Income Need	\$11,368
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Capital Required To Provide Net Retirement Income Need*	\$1,199,719

Less Assets Projected to Retirement Age

Liquid Assets Projected to Retirement Age	\$11,305
Cash Value of Life Insurance at Retirement Age (Robert)	\$0
Defined Contribution Pension Plan Accumulation (Robert)	\$513,196
Supplemental Annual Investment of \$5,626 Accumulated @ 7.90%	\$675,218
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TOTAL Capital Available at Retirement	\$1,199,719

Assuming an accumulation rate of 7.90%, level annual deposits of \$5,626 are required to meet the retirement goal. Other alternatives would be to initially deposit \$3,360, then each year increase the deposit by 4.90%, or to deposit \$1,765, increasing the deposit each year by 9.80%. Any of these strategies will accumulate the desired \$675,218 at retirement age.

*Funds are discounted at 7.50% and are liquidated at Robert's age 76. Post-retirement calculations assume 4.90% inflation of needs only.

RETIREMENT INVESTMENT FLOW REPORT
For Robert M. and Mary M.

Current Investment Fund \$3,000

Yr	Age: Cl/ Sp	Supplemental Retirement Income Fund	Total Annual Need	Social Security +Pension	Annual* Investmt/ Transfer	Net Deposit/ Withdrawal From Fund	Balance on Deposit	Annual Fund** Growth
91	35/35	3000	0	0	5626	5626	8626	580
92	36/36	9206	0	0	5626	5626	14833	1066
93	37/37	15898	0	0	5626	5626	21525	1590
94	38/38	23114	0	0	5626	5626	28741	2155
95	39/39	30895	0	0	5626	5626	36521	2764
96	40/40	39286	0	0	5626	5626	44912	3422
97	41/41	48334	0	0	5626	5626	53960	4131
98	42/42	58090	0	0	5626	5626	63717	4895
99	43/43	68612	0	0	5626	5626	74238	5720
0	44/44	79959	0	0	5626	5626	85585	6610
1	45/45	92195	0	0	5626	5626	97821	7570
2	46/46	105392	0	0	5626	5626	111018	8606
3	47/47	119623	0	0	5626	5626	125250	9722
4	48/48	134972	0	0	5626	5626	140598	10927
5	49/49	151525	0	0	5626	5626	157152	12227
6	50/50	169378	0	0	5626	5626	175005	13629
7	51/51	188633	0	0	5626	5626	194259	15141
8	52/52	209400	0	0	5626	5626	215026	16772
9	53/53	231799	0	0	5626	5626	237425	18532
10	54/54	255957	0	0	5626	5626	261583	20430
11	55/55	282013	0	0	5626	5626	287639	22478
12	56/56	310117	0	0	5626	5626	315744	24687
13	57/57	340431	0	0	5626	5626	346057	27070
14	58/58	373127	0	0	5626	5626	378754	29641
15	59/59	408395	0	0	5626	5626	414021	32415

*During the pre-retirement years, this column represents the annual investment into the pool of assets which will be used to supplement retirement income. In the year of retirement, the defined contribution pension fund and cash value of life insurance are transferred into the retirement income fund. The Current Investment Fund is composed of the Liquid Assets less the amount allocated to the Education Fund.

**Prior to retirement, this is the approximate annual growth of the Liquid Assets plus the Supplemental Annual Investments accumulated at 7.90%. Afterwards, fund growth is 7.50% per year.

RETIREMENT INVESTMENT FLOW REPORT
For Robert M. and Mary M.

Current Investment Fund \$3,000

Yr	Age: Cl/Sp	Supplemental Retirement Income Fund	Total Annual Need	Social Security + Pension	Annual* Investment/Transfer	Net Deposit/Withdrawal From Fund	Balance on Deposit	Annual Fund** Growth
16	60/60	446436	0	0	5626	5626	452062	35407
17	61/61	487469	0	0	5626	5626	493095	38634
18	62/62	531729	0	0	5626	5626	537356	42117
19	63/63	579472	0	0	5626	5626	585098	45873
20	64/64	630971	0	0	5626	5626	636598	49926
21	65/65	686523	193845	57427	513196	376777	1063301	79748
22	66/66	1143048	203344	59551	0	-143792	999256	74944
23	67/67	1074200	213308	61755	0	-151553	922647	69199
24	68/68	991845	223760	64040	0	-159720	832125	62409
25	69/69	894535	234724	66409	0	-168315	726220	54466
26	70/70	780686	205188	68866	0	-136322	644365	48327
27	71/71	692692	215242	71414	0	-143828	548864	41165
28	72/72	590029	225789	74057	0	-151732	438296	32872
29	73/73	471169	236853	76797	0	-160056	311113	23333
30	74/74	334446	248458	79638	0	-168820	165626	12422
31	75/75	178048	260633	82585	0	-178048	-0	-0
32	76/76	-0						

*During the pre-retirement years, this column represents the annual investment into the pool of assets which will be used to supplement retirement income. In the year of retirement, the defined contribution pension fund and cash value of life insurance are transferred into the retirement income fund. The Current Investment Fund is composed of the Liquid Assets less the amount allocated to the Education Fund.

**Prior to retirement, this is the approximate annual growth of the Liquid Assets plus the Supplemental Annual Investments accumulated at 7.90%. Afterwards, fund growth is 7.50% per year.