

Your Financial Goal Plan

Introduction and Questionnaire



Introduction to Your Financial Goal Plan

Your Financial Goal Plan is a long-term financial projection designed to answer many questions, including, “Can I afford to retire?”, “Can I achieve my long-term financial goals?” and “Will I outlive my money?”

We would like to share some of our philosophy on preparing long-term projections. Long-term projections, by nature, are a crystal ball gazing exercise and highly sensitive to assumptions. Nonetheless, like many things in life, we must do the best that we can do. We are very diligent in using our professional experience to incorporate a wide range of potential needs in retirement. We firmly believe that retirement projections should not be as simple as “We need \$x a month for life.” In real life, people incur basic daily living expenses plus periodic lump sum expenses and irregular lump sum expenses. Periodic and irregular lump sum expenses may include car replacements, home maintenance and improvements, travel and health care expenses and special occasions like weddings and anniversaries. In real life, people may incur assisted living or nursing home expenses. They may own a home that may ultimately be sold. It is important to identify and prioritize your financial goals so that you can do your best to achieve them during your lifetime. We don't want you to outlive your money and we don't want you to have to go back to work at age 80 or 90. Therefore, we recommend assuming and planning for a long life expectancy.

Your Financial Goal Plan identifies and prioritizes your goals and further quantifies your goals and identifies time periods.

The result is a function of 6 major variables:

1. Income and savings
2. Expenses
3. Investment returns
4. Inflation
5. Income taxes
6. Life expectancy

Any one of these variables alone can have a significant impact on long-term results, so just imagine the combined effect of these variables and any changes therein. As financial planners, we like to focus on what one can control the most, which is income and expenses. One person does not directly control investment returns, inflation or income taxes. Life expectancy is never to be under-estimated as important, leading us to conclude, “Tell us when you are going to die and how you are going to die and your financial plan will be much easier!”

Since 1980, inflation has averaged 3.53%. This will be used for future expected inflation and for the Cost of Living Adjustment (COLA) for Social Security. We use even higher inflation rates for certain financial goals including educational expenses (5%), health care premiums (7%) and assisted living and nursing home expenses (5%).

Based on a life insurance industry mortality table, your life expectancy is typically in your mid 80's. It is very important to recognize that this is an average, so it includes people who died in their 20's and 30's from accidents and people who died in their 50's from heart attacks or cancer, all the way up to people who lived to 95 or 100 or more. One of our philosophies is that improved medical care will continue to increase life expectancies. Things that people died from 20 year ago, they survive thru today. Think of 911 service and paramedics who respond to heart attacks and cancer treatments that didn't exist 20 years ago. Some argue that increasing obesity levels will start shortening life expectancies, some question the quality of life at older ages, but those are debates beyond the scope of our service. We typically use age 95 as life expectancy. ***Please give careful thought to this assumption and let us know if you want to use an assumed life expectancy that is shorter or longer than age 95.***

Introduction to Your Financial Goal Plan (cont'd)

Long term care is a major question and assumption. Current statistics tell us that many elderly people require long term care and the average stay in a nursing home is 2 to 3 years. We want our clients to have financial freedom and flexibility at all stages of life and we do not want our clients to have to rely on government aid or programs for long term care. We typically assume life expectancy of age 95, preceded by 5 years in a nursing home and 5 years in Assisted Living, therefore selling your home at age 86. These are longer than average stays but we want to plan accordingly, especially considering the potential of dementia or Alzheimer's disease. We also strongly believe that the future will bring alternatives to the traditional assisted living center and nursing home of today, much the same way that outpatient surgery has changed hospital services, but our crystal ball is not clear enough to tell what the new alternatives and their related costs may be! ***Again, please give careful thought to long term care and let us know if you want to use a different assisted living and nursing home assumption.***

Interpreting the results of Your Financial Goal Plan is analogous to interpreting basic medical test results from your doctor. Just because you have healthy readings on blood pressure and cholesterol tests doesn't mean you won't have a heart attack tomorrow.

Your Financial Goal Plan should be part of a long-term financial planning process; it is not a one-time event. For our Personal Wealth Management clients, we will use your annual Net Worth Report and Cash Flow Report and Annual Investment Review to track the progress of your plan. For our Financial Planning Consultation clients, we recommend that you track your expenses and portfolio values as projected in the report to make sure you are on track. For all clients, we generally recommend that a new plan be developed every 3 to 5 years or whenever there are major changes in your personal financial situation. Revisions and updates may be needed more often early in your retirement stage and less often in the later stages of retirement.

A Few Thoughts Before You Get Started

This Financial Goal Plan Booklet will serve to identify and prioritize your personal financial planning goals so that we may prepare your long-term retirement projection. Please be as thorough and as detailed as possible. When you have completed the booklet, please return to us so that we may begin helping you plan for your retirement years.

The software program distinguishes goals as "Ideal" and "Acceptable" and provides a problem-solving feature based on the priority of your goals. For example, identifying Cars as a goal can be further distinguished by establishing an "Ideal" goal of \$40,000 or an "Acceptable" goal of \$30,000.

Planning the future you want should be an enjoyable process, and it all starts with your Goals. So, take your time, allow yourself to dream a little, and have some fun. Begin by telling us a little about you.

About You

Helpful Tips: Pre-Retirement Income: List your current **annual** employment income, including average annual expected bonuses or incentives or commissions between now and retirement. Do NOT include compensation from exercising stock options or grants. **Please add post retirement income such as a second career or part-time employment under Resources: Other Retirement Income.**

	Client 1	Client 2
Name		
Date of Birth	___/___/___	___/___/___
Pre-Retirement Income	\$ _____ per year	\$ _____ per year
Other Income	\$ _____ per year	\$ _____ per year
Life Expectancy		

Retirement Age

Helpful Tips: When would you like to retire? First enter your Ideal Age, which is the earliest age at which you might like to retire. Then enter an Acceptable Age, which is the latest you could retire and still be satisfied. Finally, indicate how willing you are to delay retirement.

	Client 1	Client 2
Ideal Age	_____ OR <input type="checkbox"/> Retired Now	_____ OR <input type="checkbox"/> Retired Now
Acceptable Age	_____ OR <input type="checkbox"/> Retired Now	_____ OR <input type="checkbox"/> Retired Now
How willing are you to retire later (if necessary) to attain Your Goals?	<input type="checkbox"/> Very Willing <input type="checkbox"/> Somewhat Willing <input type="checkbox"/> Slightly Willing	<input type="checkbox"/> Very Willing <input type="checkbox"/> Somewhat Willing <input type="checkbox"/> Slightly Willing
Who can retire first?	Select One: <input type="checkbox"/> Either can retire first <input type="checkbox"/> Both retire in the same year <input type="checkbox"/> Only client 1 can retire first <input type="checkbox"/> Only client 2 can retire first	

1 What's Happening Before You Retire?

If you plan to use money from your Investment Assets (i.e. savings and investment accounts) to pay for any purchases or activities before you retire, you should create a separate Goal for each one.

- Look at the Lifestyle Goal pictures on the following pages. Which ones would you like to have as Goals?
- DO create a Goal for expenses that will be paid (fully or partially) from Investment Assets, e.g. renovating the kitchen, or taking that BIG trip to Europe.
- DO NOT create Goals for any expense that is paid entirely from your income (like club dues or annual vacations).

Now, It's On To Retirement...

2 Retirement Lifestyle Goals - Begin with the FUN stuff!

Add a Lifestyle Goal for each significant purchase or activity that will make your Retirement more satisfying and enjoyable. Lifestyle Goals are above and beyond what you need to pay the basic expenses of day-to-day living, which will be covered by your Retirement Living Expense Goal.

- Go through the Lifestyle Goal pictures once again. Which ones would make your Retirement more enjoyable and satisfying?
- Dream a little (or a lot). Create all the Goals you'd like, even if you're not sure you can afford them.
- Be sure to consider Cars, Travel and Gifts, which are usually important Goals during Retirement.

You can never have too many goals. Creating more individual Lifestyle Goals and rating them by importance can help you make better financial decisions and increase the overall satisfaction you obtain from your money during the rest of your life. You may even discover that you can do more with your money than you ever expected.

Lifestyle Goals - Before & During Retirement



Travel - One special Trip and/or Recurring Travel Fund

Is there one special place calling your name? Or do you want to travel every year? Create travel Goals for one special trip or for a recurring travel fund.

Helpful Tips: Consider stages of “Go-go”, “Go-slow” and “No-go” reflecting different ages. For example, extensive travel from retirement to age 75, less travel from age 75 to 85 and no travel after age 85.

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				



Car

Lexus? Chevy? One of each? Is it time for a convertible or sports car? To be sure you'll be driving what you want, add separate Goals for buying cars during retirement.

Helpful Tips: Expense should be after trade-in or resale of old car. If leasing, factor monthly lease payment in Retirement Living Expenses. Factor in periodic lump sum amount here for lump sum down payments or buy-outs.

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				

Lifestyle Goals - Before & During Retirement (cont'd)



New Home

Is it time for that vacation home you have always wanted? Or are you thinking about a new primary residence? A new home is always a good Goal.

Helpful Tips: Please distinguish between second home or vacation home and replacing your current principal residence. Please discuss with us to review whether there would be a mortgage or not (in which case only the down payment and initial expenses would be included and the mortgage payment would be added to monthly expenses). If you are selling your current home and buying a new principal residence, we will want to discuss selling price net of realtor commission and mortgage (if any) and cash purchase or mortgage on new house. Moving expenses, new furniture, window treatments, landscaping, etc may be included as separate items.

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				



Wedding

Who's getting married? Want to help pay for the wedding? If you plan to pay for all or part of the cost of a wedding create a Goal and put yourself at the head table.

Importance High Low 10 ← → 1	Name & Relationship	Year	Amount	
			Ideal	Acceptable

Lifestyle Goals - Before & During Retirement (cont'd)



Major Home Improvement

Do you have big plans for "this old house?" Do you plan to live in it for a long time?
Create goals for major home improvements and repairs.

Helpful Tips: This should include major improvement projects such as remodeling a kitchen or bathroom or adding a room, deck, porch or swimming pool. It should NOT include periodic home maintenance such as painting, new carpet, roof or furnace, all of which should be included under the next Lifestyle Goal.

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				



Periodic Home Maintenance

There is always home maintenance to be done. Is there some specific home maintenance that needs to be done?
A new furnace, new carpeting, new windows?

Helpful Tips: "Periodic Home Maintenance" may include repainting, replacing carpet, furnace, roof, driveway, major appliances, landscaping, new furniture, TV or computer. Try to strike a balancing act by not including small repairs or maintenance. For example, we might typically list \$5,000 to \$10,000 every 3 to 5 years or so depending on the age and condition of your house. This expense should continue until you sell your home.

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				



Health Care

If Health Care is particularly important to you, use this Goal to separate its costs from your basic living expenses.

Helpful Tips: This is post-retirement only. Include health insurance premiums plus out-of-pocket expenses applied to deductible or not covered by insurance. You may need to separately list Post-Retirement but Pre-Medicare to account for individual or COBRA health insurance coverage prior to age 65, and then list Medicare Supplement starting at age 65. We can assist you by providing Medicare Supplement premium estimates from Medicare.gov, if you are unsure.

Importance High Low 10 ← → 1	Description	Who	Year to Begin	Amount		How Often	How Many Years
				Ideal	Acceptable		



Long Term Care

Thinking about your care in later life; Will you live with one of your children? Will you hire a service to care for you in your home? Will you move into assisted living? What about a nursing home?

Helpful Tips: We assume at some point in time, you and your spouse will require some form of Long Term Care. Please carefully consider this. Typically we assume life expectancy of 95, the previous 5 years are spent in Nursing Home Care and the previous 5 years to Nursing Home are spent in Assisted Living. We use the recent industry survey information for the amount of expenses. Please indicate below if you would prefer us to use different times or costs. Perhaps your age differences will allow you to stay in your home longer with one spouse caring for the other, defraying some assisted living expenses.

Importance High Low 10 ← → 1	Description	Who	Year to Begin	Amount		How Often	How Many Years	Use Industry Averages
				Ideal	Acceptable			
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>

Lifestyle Goals - Before & During Retirement (cont'd)



Gifts - Donations - Help

Is it time to give back? Or maybe your parents or kids need help. Use Gift Goals for anything from holiday presents to cash gifts for family members or organizations.

Helpful Tips: List charitable gifts, which are tax-deductible, separately from family gifts. These are discretionary, voluntary gifts that could be stopped if necessary. If you provide essential support for someone else, list it under "Provide for Someone".

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				



Provide Care for Someone

If you need money to take care of someone you love (e.g. your mother in a nursing home, or a special-needs child), make sure you have a goal to pay for it.

Helpful Tips: This is essential support for an adult child, parent, other family member or friend, whom without your support would be homeless or on government aid.

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				

Lifestyle Goals - Before & During Retirement (cont'd)



Education

Do you want to give your kids or grandkids the benefit of a private school education? Do you want to be sure they can afford College? Make it a Goal and get them started right, regardless if they occur before or after you retire.

Enter multiple Education Goals for one person (i.e. Private School K-12, Undergraduate and Graduate).

Helpful Tips: This goal should only include expenses that are being paid for by bank savings or investment account withdrawals. Do not include expenses that are paid out of pre-retirement salary or employment income.

Importance High Low 10 ← → 1	Who is Going to School? Name and Relationship	Date of Birth	Start Year or Age	Number of Years	Amount	
					Ideal	Acceptable



Anything Else

If it's expensive or important - make it an Anything Else Goal



Major Purchase

a boat, a hot tub
a _____?



Start a Business

Buy a business or
a franchise.



Celebrations

An anniversary,
family reunion.

Helpful Tips: This is for major "EXTRAORDINARY" purchases not included in any of the above goals and will not be covered by any employment income (whether pre or post retirement).

Importance High Low 10 ← → 1	Description	Start		Amount		How Often	How Many Times
		Year	At Retirement	Ideal	Acceptable		
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				
			<input type="checkbox"/>				

3 Retirement Living Expenses - what do you need day to day?



Retirement Living Expenses

Everyone must pay the bills. This Goal is for your basic day-to-day living expenses (e.g. food, clothes, utilities, etc.). By making your Retirement Living Expense amount a separate Goal, you can see exactly what it takes to "pay-the-bills" for the rest of your life. This should make your retirement more secure and leave you free to enjoy spending money to fulfill your Retirement Lifestyle Goals.

Helpful Tips: This is the hard one and a very important variable and assumption! You may find it easier to "back in" to this number by starting with your total expense assumption and subtracting the expenses that you itemized earlier such as health care and travel.

Please include your mortgage payment, if applicable. However, for your report, we will itemize your mortgage separately to account for the pay-off date and the fact that it is a fixed payment that will not be increased annually for inflation like your basic living expenses.

If we have completed an annual Cash Flow Report for you, we will use the monthly expense from your annual Cash Flow Report as a baseline. Feel Free to discuss this with us for assistance.

Importance	Ideal Amount	Acceptable Amount
	\$_____ per year	\$_____ per year

Be sure you don't "double count" any expenses. For example, if you entered a separate Goal for a car, don't include the purchase cost of this car in your Living Expenses, but do include all operating expenses (e.g. gas, taxes, maintenance).

4 What Sources will you have to help Pay for Retirement?



Social Security Benefits

Some people decide to take their Social Security Benefits Early at a reduced rate, others prefer to wait until their Full Retirement Age, while some want to maximize their earnings and wait to begin taking them at age 70. Whenever, you decide to begin your benefits, this will help to minimize the withdrawals from your investment accounts and maximize your spending on your Retirement Lifestyle Goals.

Helpful Tips: If you are currently receiving benefits, please enter the Monthly Benefit Net of Medicare Premiums. If you are not currently receiving benefits, please use your most recent Social Security Statement to enter in the estimated monthly benefit. Do not adjust for cost of living adjustments. We will do that for you.

	Are you Eligible?	Age Benefits Begin	Monthly Benefit
Client 1	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	\$ _____
Client 2	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	\$ _____



Other Retirement Income

Enter any income that you anticipate receiving during your retirement years (e.g. inheritance, pension checks, part-time work, etc.). Please do not include interest or dividend income from your investments.

Helpful Tips: For some, retirement may come early and you will continue work somewhere else (second career) once you "retire" from your current position. Others feel like a part-time "hobby" job will help keep them involved. Any income, has a positive influence on your portfolio and therefore increases your probability of obtaining your Lifestyle Goals. The income you earn will allow for smaller withdrawals from your portfolio, which will allow your investments to continue to grow.

Description	Client 1			Client 2		
	Income/Month	Starting Year	# of Years	Income/Month	Starting Year	# of Years
	\$ _____			\$ _____		
	\$ _____			\$ _____		
	\$ _____			\$ _____		
	\$ _____			\$ _____		

You Are Done!

Once Again, this is a process. You have completed the hardest part, now we will work with your Lifestyle Goals and show you the best scenario that will help you get the most out of your retirement years. We will most likely be back in touch with you with questions and a few clarifications. Our goal is to provide you with the most accurate and comprehensive report possible! Please feel free to call us as well if you have any thoughts or questions that may come up through this process.

As always, we thank you for your confidence in our services and welcome your questions.