

## **Personal Financial Index® Report**

Prepared for: **John Smith**

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## PFI Score Details and Recommendations

Your overall PFI Score is **399** against a maximum possible score of **750**. That means your financial management is fair. Review your individual category scores to identify opportunities that can be addressed while staying within your financial means. We also recommend that you consult a financial advisor.



## Details of your PFI score by category

### Debt Management Score

Debt management is how well you are managing your short-term and long-term debt levels and payments. Examples of short-term debt include, auto/boat loan, credit card balance, and personal loans. Short-term debt refers to payments you need to make over the course of the year, including your mortgage, auto loan, credit card, etc. On the other hand, home mortgage is a good example of a long-term debt. Your PFI debt management score is **202** against a maximum possible score of **350**.



### Savings Discipline Score

Savings discipline represents how well you are saving to achieve your future financial goals, such as retirement, a major purchase like a home, saving for your kids' college education, etc. Your PFI savings discipline score is **72** against a maximum possible score of **200**.



### Risk Management Score

Risk management is how well you are protecting yourself and your family against risks by buying insurance or eliminating the risk. For example, if you own a car, you need auto insurance to protect against the financial loss in case of an accident. Your PFI risk management score is **125** against a maximum possible score of **200**.



## Financial Goals Analysis

### Retirement

With your target retirement in 10 years, you need to have total savings of \$7,000,000 at the start of retirement. You have saved \$500,000 so far. You need to save a total of \$31,000 per month to meet your retirement goal. Currently you are saving a total of \$2,000 per month.

### **College education for your child**

For your 10 year old, who will go to college in 8 years, you need to have total savings of \$120,000 at this time (or a total of approximately \$209,174 at the start of college). You have saved \$30,000 so far. You need to save a total of \$938 per month to meet this financial goal. Currently you are saving a total of \$500 per month.

### **Planning for a Major Purchase**

For your 1st major purchase, you need to save \$100,000 in 5 years for a down payment. You have saved \$25,000 so far. You need to save a total of \$1,148 per month to meet this financial goal. Currently you are saving a total of \$500 per month.

### **Life Insurance**

Given your financial needs, you need to have life insurance coverage worth about \$5,000,000. Currently you have (including employer provided life insurance, if any) \$1,250,000 in life insurance.

### **Helpful hints based on your PFI**

Life insurance helps to protect the people you care about. Evaluate your life insurance needs. An umbrella policy protects the assets you have accumulated. Evaluate your umbrella policy needs.

**Personal Details**

**Net Worth**

Age	40	<b>Lifestyle Assets:</b>	
Plan to save for college education?	Yes	Market value of primary home	\$2,000,000
Do you own a home?	Yes	Market value of additional properties	\$800,000
Do you own additional properties?	Yes	Total market value of business and other assets	\$2,000,000
Do you own a business?	Yes	Market value of cars & other major items	\$150,000
Plan to save for any major purchases?	Yes	Market value of personal valuables	\$100,000
Approx. annual household income	\$500,000 and over	Description of any other assets	\$0
Approx. value of investments	\$2,000,000 and over	<b>Savings and Investments:</b>	
Label "d" signifies a system default value.		Cash savings	\$100,000
		Current value of retirement accounts	\$500,000
		Value of all brokerage accounts	\$500,000
		<b>My Liabilities:</b>	
		Mortgage balance on primary home	\$500,000
		Loan balance on additional properties	\$250,000
		Business loan balance	\$500,000
		Auto/boat loan balance	\$50,000
		Credit card debt & loan balance on appliances, etc.	\$50,000
		Description of any other loan(s)	\$0

**Your Cash-Management**

**Retirement**

<b>Income:</b>		Number of years left to retire	10 Years
Your salary and bonus (pre-tax)	\$500,000 per year	Expected duration of retirement	25 Years
Business income	\$0 per month	<b>Expected liabilities during retirement:</b>	
Rental income	\$0 per month	Expected mortgage at the time of retirement	\$1,000,000
<b>Ongoing Expenses (Estimates):</b>		Other expected loans at the time of retirement	\$800,000
<b>Property Related Expenses:</b>		Legacy you want to leave	\$1,000,000
Home mortgage payment	\$10,000 per month	<b>Retirement savings:</b>	
Loan payment on additional properties	\$5,000 per month	Current value of retirement accounts	\$500,000
Property taxes (annual)	\$0	Average monthly contribution by employer	\$1,000
Other expenses (Home maint. )	\$2,000 per month	Your monthly contribution	\$1,000
Do you always make timely payments on debt?	Yes	<b>Income from Social Security and pensions:</b>	
<b>Living Expenses:</b>		Estimated monthly pension benefit in today's \$	\$0
Life expenses (food, clothes, utility bills, etc.)	\$10,000 per month	Estimated monthly Soc. Sec. benefit in today's \$	\$1,000
<b>Other expenses:</b>		<b>Economic and market factors:</b>	
Estimated federal and state taxes (annual)	\$100,000	Expected average inflation rate	3%
Any other monthly payments	\$0	Expected average annual return on retirement balance	7%

**College Education**

Number of children yet to go to college 1

Total one year cost of college currently \$40,000

Expected average annual tuition inflation 6%

**Child 1:**

Age 10 years

% of total cost you intend to pay for child 1 75%

Amount saved so far for child 1's education \$30,000

Current monthly saving for child 1's education \$500

Expected average annual return on child 1's savings 6%

**Major Purchases**

**Purchase 1:**

Number of years left for purchase 1	5 years
Amount needed as full/down payment 1	\$100,000
Amount saved so far for purchase 1	\$25,000
Current monthly savings for purchase 1	\$500
Expected average annual return on savings 1	2%

**Your Protection**

Other one-time expenses (e.g. wedding, funeral)	\$500,000
Expected number of years you intend to support dependents	20 Years
Expected average annual return on long term investments	7%
Expected average inflation rate	3%
Self purchased life insurance amount	\$1,000,000
Employer provided life insurance amount	\$250,000
Do you have homeowners' insurance?	Yes
Do you have long term disability insurance?	Yes
Do you have short term disability insurance?	Yes
Do you have an umbrella policy?	No
Do you have a Power of Attorney?	No
Do you have a revocable trust?	Yes
Do you have long term care insurance?	Yes
Do you have a Will?	Yes
Do you have a Living Will?	Yes



**PFI Disclosures**

The Personal Financial Index® (PFI) is a proprietary benchmark to measure the overall financial health of an individual or a family. This benchmark is the property of OMYEN Corp. It takes into account an individual's income, expenses, savings discipline toward future financial goals, and financial risk management, to come up with a personalized PFI score. This benchmark is designed to be wealth level neutral and represents current state only. It should be used for financial education purposes only. The PFI financial analysis and recommendations in this report are for guidance purposes only and cannot be construed as investment or tax advice. This report is based on a number of assumptions. Some key assumptions include:

1. Given the complexity behind federal and state income taxes, we have not considered the effect of income taxes on current retirement savings balances, contributions, and withdrawals during retirement. As a result, the required savings may be significantly different from when taxes are accounted for.
2. It is assumed that your income and expenses will not fluctuate from now until your retirement.
3. Investment rate of return remains same throughout the plan period. In reality, investment returns could fluctuate widely depending on the economic environment and market conditions.
4. Inflation rate remains same throughout the plan period. The inflation rate also varies from year to year depending on the economic environment.
5. The PFI benchmark is not suitable for all ages. Individuals who are not working and those who are retired may not get a good representation of their financial health.

The Personal Financial Index® score and financial analysis based on the data you provided may not be sufficient for making financial decisions.