



Financial Planning Summary

**Prepared For
Joe and Ann Doe**



**Prepared Date
July 2026**



Meet Joe and Ann Doe

Joe and Ann Doe are raising two children, Jacob and Catherine, while balancing education, retirement, and future lifestyle goals. Joe currently provides the household's primary income through the family construction business, which is eventually intended to transition to Jacob as he takes over. Although the business is included in the household's current net worth, its value is not assumed to be available to fund retirement or other planning goals.

Ann previously worked as a nurse but stepped away from her career to stay home with the children. During this single-income period, the family has been running a modest cash-flow deficit and has had little ability to save. The plan reflects no planned savings through 2029, with savings beginning when Ann returns to work in 2030.

Once Ann returns to work, Joe and Ann plan to increase retirement savings while fully funding college for both children. After the children finish college, they would also like to purchase a vacation home.

The plan is designed to help them move from their current tight cash-flow period into a stronger savings phase while balancing education, retirement, the future transfer of the family business, and their vacation-home goal.





Financial Plan Overview

Net Worth Summary

Total Assets	\$1,019,665
Total Liabilities	(\$245,000)
Total Net Worth	\$774,665
Out of Estate	—

Joe and Ann have a solid overall balance sheet, with a current net worth of approximately \$774,665, although current cash flow remains tight during the single-income period. The proposed plan indicates that they are on track for retirement, with an estimated 83% probability of success compared with 79% under the current plan.

The proposed strategy focuses on supporting retirement at age 65, funding education goals for Jacob and Catherine, adding targeted life and disability insurance protection, delaying Social Security to age 70, and aligning the investment portfolio more closely with Joe and Ann’s risk profile.

Retirement Planning

A more detailed retirement analysis is provided on **page 7**.

Key points:

- Joe and Ann are each assumed to retire at age 65, with Joe retiring in 2052 and Ann in 2054.
- The proposed plan has an estimated 83% probability of success, compared with 79% under the current plan.
- The household is currently running a cash-flow deficit and is not making planned savings contributions through 2029. Beginning in 2030, the plan projects \$54,500 of annual retirement-account savings, plus \$1,353 to the HSA.
- The proposed strategy assumes both Joe and Ann delay Social Security benefits to age 70.
- The plan projects approximately \$5.86 million of invested assets at retirement and approximately \$7.65 million of invested assets at the end of the planning horizon.



Education Planning

A more detailed education analysis is provided on **page 8**.

Key points:



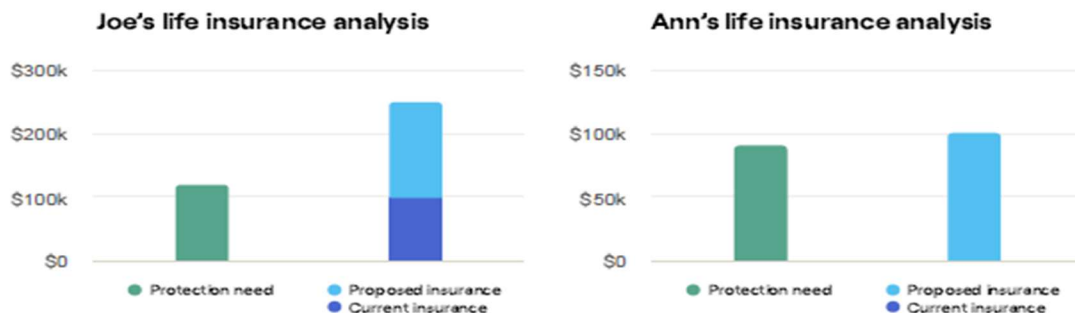
- Both Jacob and Catherine's college goals are projected to be 100% funded, with no projected funding shortfall.
- Current assumptions reflect planned \$10,000 annual contributions to each child's 529 account beginning in 2030.
- The proposed strategy increases annual 529 savings to \$20,000 for Jacob and \$17,500 for Catherine beginning in 2030.
- The increased education savings are incorporated while the overall plan still supports retirement at age 65 with an estimated 83% probability of success.
- The plan begins with an annual college cost of \$30,990 per child and assumes 5% annual education inflation.

Insurance Planning

A more detailed insurance analysis is provided on **page 9**.

Key points:

- The analysis identifies modeled life insurance needs of \$120,000 for Joe and \$90,000 for Ann. The proposed strategy uses practical policy face amounts of \$150,000 of additional coverage for Joe and \$100,000 for Ann, rather than matching the calculated need dollar-for-dollar.
- Joe currently has \$100,000 of life insurance coverage, while Ann currently has no life insurance coverage.
- For Joe, the proposed disability strategy provides \$6,000 per month of coverage, protecting approximately 63% of earned income, with an illustrative annual premium of \$2,400.
- Ann is not currently modeled with disability coverage because she is not working and has no current earned income. Her disability insurance needs should be reviewed when she returns to work in 2030.



Investment Planning

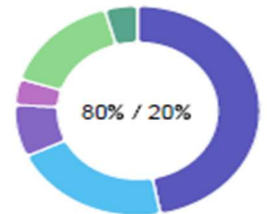
A more detailed investment analysis is provided on **page 10**.

Key points:

- The current portfolio is approximately 89% equities / 11% fixed income, with a portfolio risk score of 79, compared with the household risk score of 73.
- The proposed target allocation is approximately 80% equities / 20% fixed income, keeping the portfolio growth-focused while reducing overall risk.
- The target portfolio has a risk score of 72, bringing the investment strategy much closer to the household's stated risk tolerance of 73.
- The modeled annual return decreases modestly from 8.0% to 7.5%, while modeled volatility declines from 13.7% to 12.4%, reflecting the tradeoff between growth and risk reduction.

Target allocation

Aggressive



Equity / Fixed Income

Annual return: 7.5%
Standard deviation: 12.4%

Tax Planning

A separate detailed tax analysis is not included because tax considerations are addressed throughout the plan.

Key points:

Projected 2030



- Salary and other income
- Investment income
- Pensions and annuities
- IRA distributions
- Social Security

- Ann's return to work in 2030 materially changes the household tax picture as salary income is added to Joe's self-employment income.
- Beginning in 2030, the household should start maximizing available tax-advantaged retirement and HSA contributions as cash flow allows.
- Joe should coordinate with his tax professional to ensure Doe Construction is taking advantage of available business deductions and maintaining appropriate documentation.
- Tax planning should monitor self-employment income, retirement contributions, investment income, and realized capital gains as the household's finances change.
- The tax strategy should be reviewed annually as income, business expenses, savings, investments, and tax law change.

Estate Planning

A separate detailed estate analysis is not included because estate considerations are addressed throughout the plan.

Key points:

- Approximately \$10.38 million is projected to pass to heirs.
- The current projection shows no federal or state estate tax.
- Doe Construction is intended to transition to Jacob as he takes over the family business.
- Review beneficiaries, account ownership, and estate documents as circumstances change.
- Revisit estate planning as asset values, family circumstances, and laws change.



Conclusion / Action Items

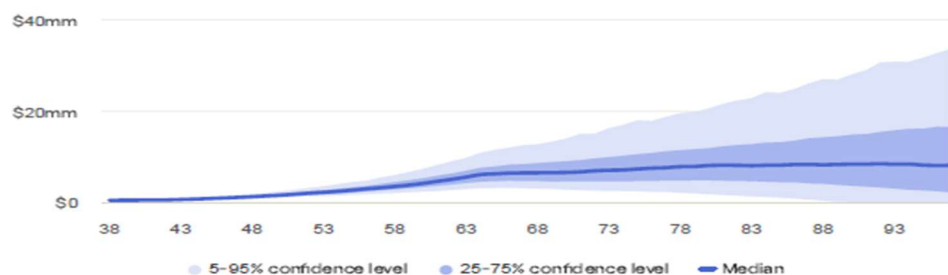
- Implement the planned retirement and education savings strategy beginning in 2030.
- Consider the proposed life insurance coverage for Joe and Ann.
- Add disability coverage for Joe and revisit Ann's coverage when she returns to work.
- Rebalance the portfolio toward the 80% equity / 20% fixed-income target.
- Review tax, beneficiary, estate, and business-transition items annually as circumstances change.

Retirement Analysis

Retirement planning evaluates whether current assets, income sources, savings, and investment growth are projected to support spending needs throughout retirement.

- Joe is projected to retire in **2052 at age 65**, with **Ann retiring** two years later in **2054** at age **65**. This creates a relatively long accumulation period before retirement begins.
- Current invested assets total **\$369,665**. Because the household is operating with a cash-flow deficit, the plan assumes no additional planned savings through **2029**.
- **2030** represents the key transition point in the retirement strategy. With **Ann returning** to work, the household is projected to begin **saving approximately \$54,500 annually** to retirement accounts, plus **\$1,353** to the HSA.
- Including retirement, education, and HSA contributions, **total planned savings reach approximately \$93,353 in 2030**, allowing the family to substantially increase savings without abandoning its education goals.
- Total **invested assets** are projected to reach approximately **\$5,863,868 at retirement**. Over the planning period, the analysis projects **\$2,395,765 total savings and approximately \$3,534,774 of portfolio returns**.
- The retirement analysis incorporates the family's other major goals rather than evaluating retirement in isolation. This includes **fully funding the children's education goals** and purchasing a **\$200,000 vacation home in 2040**.
- Under these assumptions, the proposed strategy increases the estimated probability of success from **79%** under the current plan to **83%**.
- The proposed strategy assumes both Joe and Ann **delay Social Security benefits until age 70**, increasing the amount of guaranteed income available later in retirement.
 - Delaying benefits is projected to generate **approximately \$437,947 more** cumulative Social Security income than the current claiming strategy.
 - The projected **break-even** point is approximately **age 82**, meaning the delayed strategy becomes more favorable if benefits continue beyond that age.
- The **age-70** claiming strategy is projected to provide approximately **\$3,836,349 of total lifetime Social Security income**, helping reduce reliance on portfolio withdrawals later in retirement.
- The retirement strategy should be reviewed periodically as income, savings levels, retirement timing, investment returns, Social Security assumptions, and household goals change.

Asset simulation results - Proposed plan



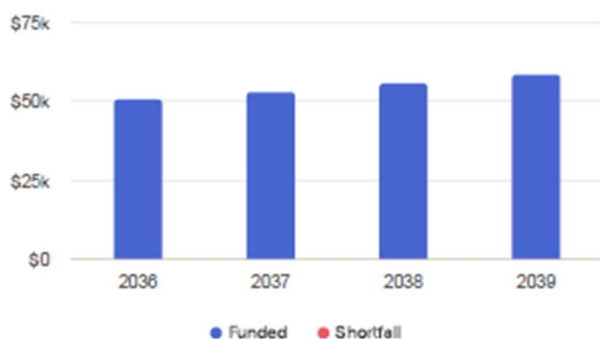


Education Analysis

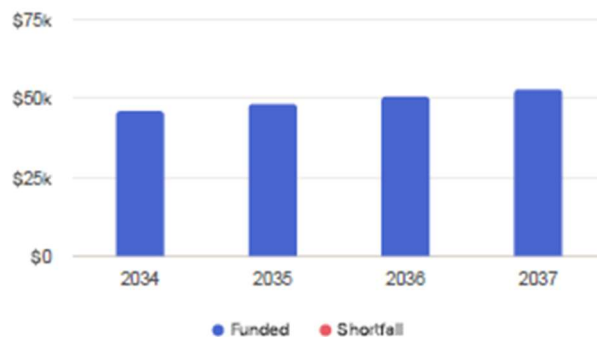
Education planning evaluates whether existing 529 assets and future contributions are projected to cover college costs without compromising the family's retirement strategy.

- **Jacob's** college years are modeled **from 2034 through 2037**, with a **projected total cost of \$197,344**.
- **Catherine's** college years are modeled **from 2036 through 2039**, with a projected total cost of **\$217,572**.
- The plan begins with **an annual college cost of \$30,990** per child and assumes **5% annual education inflation**, which increases projected costs through the years each child attends college.
- Current **529 balances** are **\$35,000 for Jacob** and **\$25,000 for Catherine**.
- No scholarships, student borrowing, or other education funding sources are assumed, making the 529 accounts the primary source of funding.
- Current assumptions reflect **annual 529 contributions of \$10,000 for Jacob** and **\$10,000 for Catherine beginning in 2030**.
- Beginning in **2030**, the proposed strategy **increases** annual contributions to **\$20,000 for Jacob** and **\$17,500 for Catherine**.
- Under the proposed strategy, both education goals are **projected to be 100% funded** with no projected shortfall.
- 529 accounts are currently modeled using a **most aggressive investment allocation**.
- The aggressive allocation provides greater long-term growth potential but also creates greater market risk as college approaches. The **529 allocations should be reviewed periodically and gradually reduced in risk** as tuition payments get closer.
- The increased education savings are incorporated while the broader proposed plan continues to support retirement at age 65, helping avoid funding college at the expense of retirement.

Catherine's projected education cost is \$217,572



Jacob's projected education cost is \$197,344

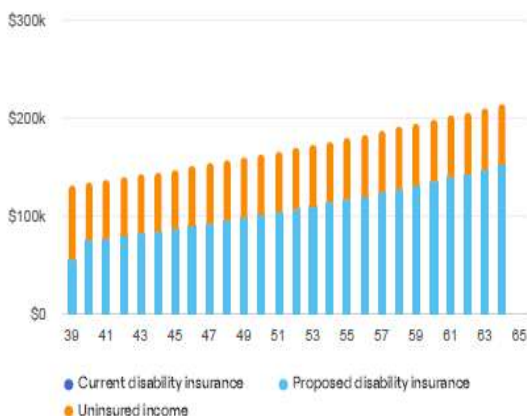


Insurance Analysis

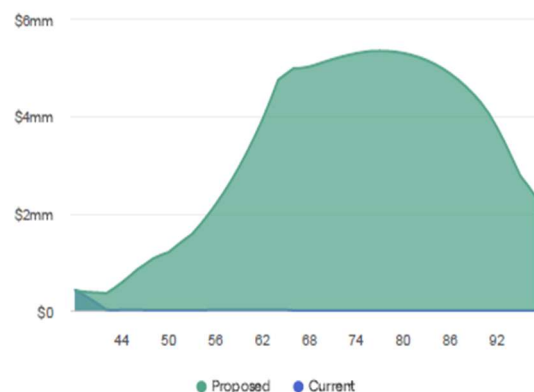
Insurance planning evaluates whether life and disability coverage is sufficient to protect the family's financial goals if either spouse dies or is unable to work.

- **Joe** currently has **\$100,000 of life insurance** coverage; **Ann** currently has **no life insurance** coverage.
- The modeled life insurance **need** is approximately **\$120,000 for Joe** and **\$90,000 for Ann**.
- Joe is currently the household's primary income earner, making disability protection an important part of protecting the broader financial plan.
- Ann is **not currently earning employment income**, so **no disability coverage is modeled** for her at this time. Her disability needs should be **reviewed** when she returns to work in **2030**.
- The proposed strategy **adds \$150,000 of life insurance for Joe and \$100,000 for Ann**.
 - These amounts use practical policy face values and provide a modest cushion rather than matching the calculated need dollar-for-dollar.
 - If **Joe passes away in 2026**, projected **Social Security survivor benefits** are approximately **\$80,927**.
 - No Social Security survivor benefits are currently modeled in the event of Ann's death. Her life insurance needs should be reviewed when she returns to work.
- **Joe** currently has **no modeled disability income protection**. The **proposed** strategy **adds \$6,000 per month** of disability coverage through age **65**.
- The proposed disability coverage **protects** approximately **63% of Joe's earned income**, with an illustrative **annual premium of \$2,400**.
- **Health insurance costs** are expected to **significantly decrease when Ann starts working** and they are no longer using Joe's self-employed plan.

If Joe becomes disabled tomorrow



63%
of earned income
protected

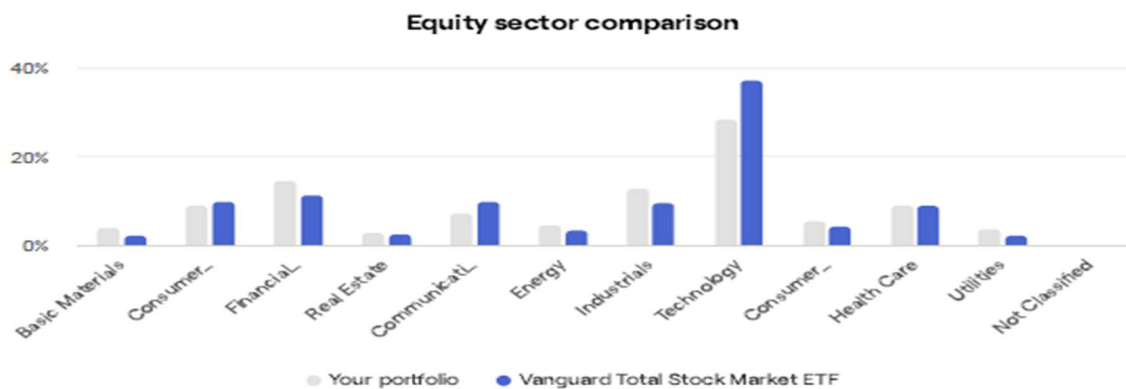


Proposed plan has
\$2,334,135 more
ending assets and
lasts
31 years longer
than current plan

Investment Analysis

Investment planning evaluates whether the current portfolio is appropriately positioned for the household's goals, time horizon, and willingness to accept investment risk.

- **Current invested assets** total approximately **\$369,665**, providing the foundation for the household's long-term investment and retirement strategy.
- The current portfolio is approximately **89% equities / 11% fixed income**, reflecting a strongly **growth-oriented allocation**.
- The current **portfolio** has a **risk score of 79**, compared with the **household risk score of 73**, indicating that the existing allocation is taking somewhat more risk than Joe and Ann's stated tolerance.
- The current allocation has an **assumed annual return of 8.0%** with **modeled volatility of 13.7%**, illustrating the higher expected growth and higher variability associated with the current mix.
- The **proposed** allocation shifts the portfolio to approximately **80% equities / 20% fixed income**, reducing overall portfolio risk while maintaining a meaningful allocation to long-term growth assets.
- Under the **proposed allocation**, the assumed annual return declines modestly from **8.0% to 7.5%**, while modeled **volatility falls from 13.7% to 12.4%**.
- This tradeoff is intended **to improve the portfolio's balance between growth potential and downside risk**, rather than simply maximizing expected return.
- **Rebalancing reduces** the portfolio's concentration in **U.S. equities while increasing exposure to fixed income, international equities, emerging markets, and real estate**.
- The broader diversification may help **reduce reliance on any single market segment and create a more balanced portfolio** across asset classes.
- The proposed allocation **remains growth-oriented**, which is appropriate for the household's long investment horizon, while **taking less overall investment risk**.
- The portfolio should be **reviewed and rebalanced periodically** as markets move, account values change, retirement approaches, or Joe and Ann's comfort with investment risk changes.



Amongst the equity sectors, you are most **overweight in Industrials** and **underweight Technology**.