



## Jane Doe's Financial Plan Summary

<u>Assets</u>		<u>Liabilities</u>	
Bank	\$5,123	Credit Cards	\$19,175
Retirement	\$30,420	Student Loans	\$107,615
		Personal Loans	\$20,203
<b>Total</b>		<b>Total</b>	
<b>Assets:</b>	\$35,543	<b>Liabilities:</b>	\$146,993

**Net Worth:** **(\$111,450)**

### Goals

- Retain a proper budget (cash flow management)
  - Control spending
- Debt reduction & control

### Current Situation

- Budgetary
  - The highest spending categories:
    - Health & Fitness
    - Shopping
    - Dining Out
- Debt
  - Student Loans (73% of total liabilities)
    - Currently on hold
    - Currently on PSLF & using the REPAYE option
      - 45 of 120 payments for PSLF
    - Interest paid is a tax deduction
  - Personal Loans (14% of total liabilities)
  - Credit Cards (13% of total liabilities)

### Recommendations

- Reduce spending for each of the highest categories (see the budget attached)
- Minimize excess fees & charges – late fees
- Payoff highest interest loan
  - Other loans (\$710 balance)
    - You started with \$10k now it's far less
    - Take small wins – you've done this!
- Give additional payments to personal loans to pay off
  - Start with the \$2k Bank loan then work on \$37k loan
- Besides using the CCs for miles/points/cash back, focus on paying back in full at the end of the month as much as possible
  - Do not overspend by putting on CCs
- Use our financial planning software to keep track of spending & budget
  - Go into the software and check the categorization of transactions – just like balancing the checkbook in past
- Student loans: maintain minimum payment for the remaining 75 payments, then PSLF
  - Good debt - interest paid is tax deductible based on current income
- Open a high-yield (HY) savings account with an online based bank
  - Begin to build your savings by depositing \$25 bi-weekly
  - Any unused funds from the budget should be place in the HY savings account
  - Most online banks (non-brick and mortar) offer a higher interest rate on savings

## Budget

<u>Income</u>		<u>Expenses</u>		% of income
Paychecks	\$ 5,200.00	Auto	\$ 200.00	4%
Other Income	\$ -	Dining Out	\$ 300.00	6%
Phone	\$ 500.00	Entertainment	\$ 200.00	4%
Reimbursement		Health & Fitness	\$ 300.00	6%
		Insurance	\$ 300.00	6%
		Reimburse	\$ 500.00	10%
		Travel	\$ 300.00	6%
		Bills & Utilities	\$ 550.00	11%
		Fees & Charges	\$ -	0%
		Groceries	\$ 300.00	6%
		Housing	\$ 1,900.00	37%
		Shopping	\$ 300.00	6%