

## EDUCATION NEEDS ANALYSIS – 4 YEARS OF EDUCATION EXPENSES

Annual Cost in Today's Dollars: \$40,000

Inflation Rate: 5.0%

Education Starts at Age: 18

Number of Years of Education Expenses: 4

After Tax Rate of Return:

Based on a Moderate Investment Model:

Student 1 7.0 %

Tuition Paid at Beginning of Year

Contributions Begin: January 1, 2009

Final Contributions occur at the beginning  
of the final year of education

Savings Vehicle: Taxable Investment Account

**Additional Contribution Amounts** Needed to Fully Fund Education Needs per this Analysis:

### Additional Contribution Amounts

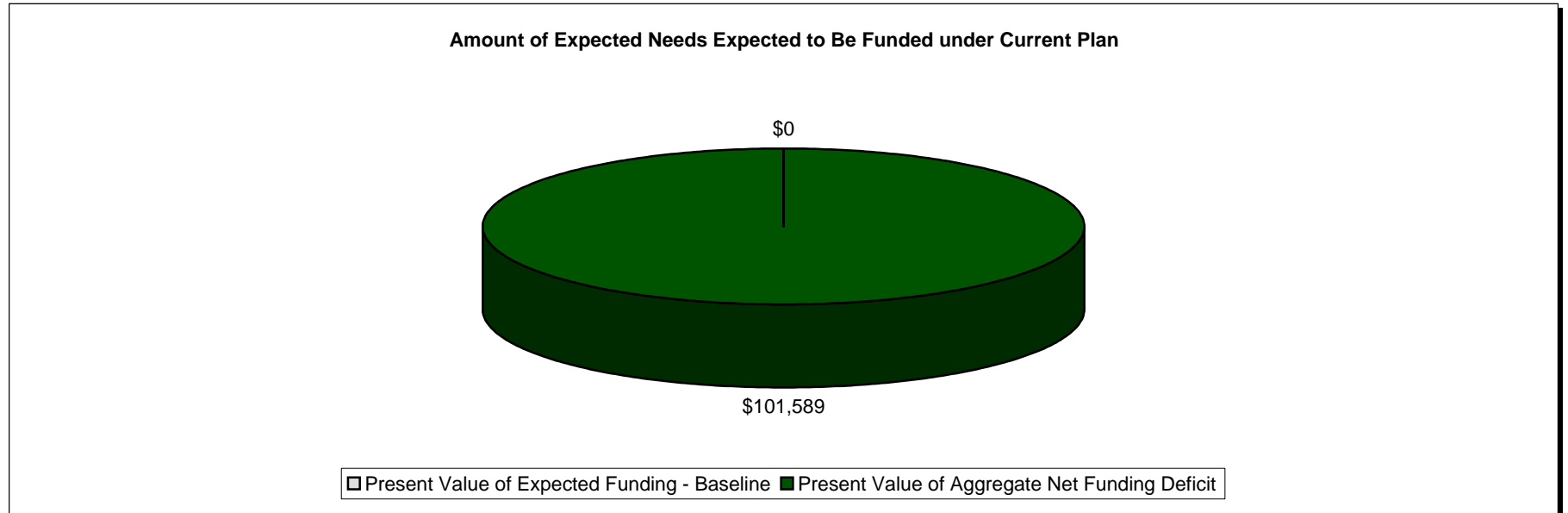
<u>Name</u>	<u>Lump Sum</u>	<u>Annual</u>	<u>Monthly</u>
Student 1	\$ 101,589	\$ 9,012	\$ 751

## Summary

Mr. and Mrs. Sample

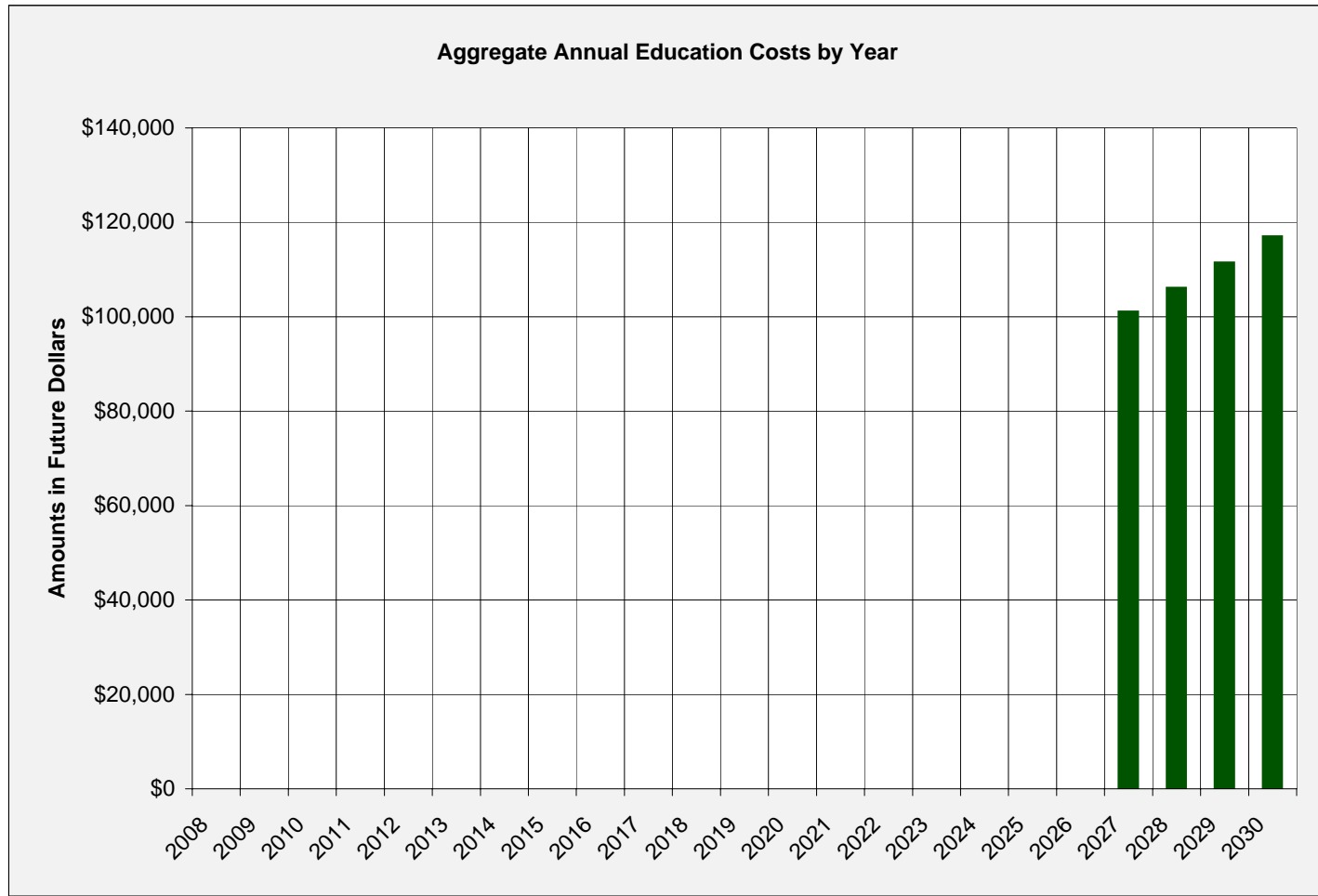
Student	Projected Education Costs	Present Value of Projected Education Costs	Present Value of Funding Surplus/-Deficit	Additional Lump Sum Savings Needed	Additional Annual Savings Needed	Years of Additional Funding
Student 1	435,659	101,589	-101,589	101,589	9,012	23
<b>Totals</b>	<b>435,659</b>	<b>101,589</b>	<b>-101,589</b>	<b>101,589</b>	<b>9,012</b>	

NOTE: Illustration assumes that additional annual savings start in the current year and end in the last year in which costs are incurred.



## Education Costs Illustration

Mr. and Mrs. Sample



The above chart illustrates the projected education costs by year on an aggregate basis.

Education Funding - 4 Years at \$40,000/year

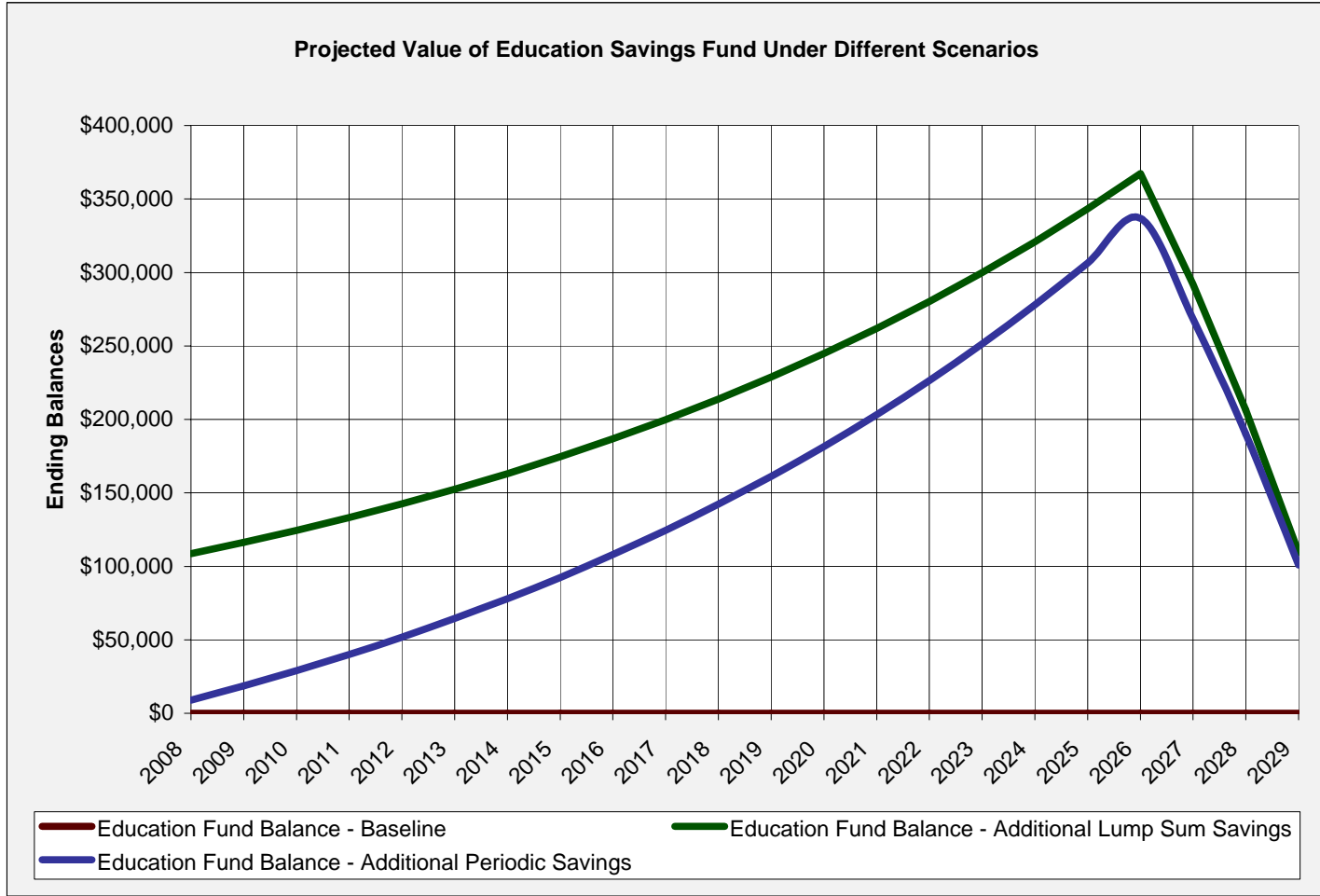
## Projected Education Costs

*Mr. and Mrs. Sample*

<b>Year</b>	<b>Student 1</b>	<b>Total Education Costs</b>
2008	0	0
2009	0	0
2010	0	0
2011	0	0
2012	0	0
2013	0	0
2014	0	0
2015	0	0
2016	0	0
2017	0	0
2018	0	0
2019	0	0
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	101,078	101,078
2028	106,132	106,132
2029	111,439	111,439
2030	117,010	117,010

## Education Fund Balances Illustration - Student 1

Mr. and Mrs. Sample



The above chart illustrates the projected values of Student 1's education savings fund under different scenarios.

Education Funding - 4 Years at \$40,000/year

## Baseline Education Funding Illustration - Student 1

Mr. and Mrs. Sample

Year	Beginning Balance	After-Tax Total Return 7.0%	End of Year		Ending Balance	Funding Deficit	
			Contributions	Education Costs		Deficit	NPV Deficit 7.0%
2008	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0
2027	0	0	0	101,078	0	101,078	26,120
2028	0	0	0	106,132	0	106,132	25,632
2029	0	0	0	111,439	0	111,439	25,153
2030	0	0	0	117,010	0	117,010	24,683

Education Funding - 4 Years at \$40,000/year

## Additional Annual Savings - Student 1

Mr. and Mrs. Sample

Year	Beginning Balance	After-Tax Total Return 7.0%	End of Year		Ending Balance
			Contributions	Education Costs	
2008	0	0	9,012	0	9,012
2009	9,012	631	9,012	0	18,656
2010	18,656	1,306	9,012	0	28,974
2011	28,974	2,028	9,012	0	40,014
2012	40,014	2,801	9,012	0	51,828
2013	51,828	3,628	9,012	0	64,468
2014	64,468	4,513	9,012	0	77,993
2015	77,993	5,460	9,012	0	92,465
2016	92,465	6,473	9,012	0	107,950
2017	107,950	7,556	9,012	0	124,519
2018	124,519	8,716	9,012	0	142,247
2019	142,247	9,957	9,012	0	161,217
2020	161,217	11,285	9,012	0	181,515
2021	181,515	12,706	9,012	0	203,233
2022	203,233	14,226	9,012	0	226,472
2023	226,472	15,853	9,012	0	251,337
2024	251,337	17,594	9,012	0	277,943
2025	277,943	19,456	9,012	0	306,411
2026	306,411	21,449	9,012	0	336,872
2027	336,872	23,581	9,012	101,078	268,388
2028	268,388	18,787	9,012	106,132	190,055
2029	190,055	13,304	9,012	111,439	100,932
2030	100,932	7,065	9,012	117,010	0

## Disclaimer

Mr. and Mrs. Sample

This financial plan is designed to provide educational and/or general information and is not intended to provide specific legal, accounting and/or tax advice. Any comparisons and projections including expected rates of return are presented for purposes of illustration only. Nevertheless, we believe that the comparisons as well as the other projections shown provide an important and valid basis for consideration when planning for your financial future.

**IMPORTANT: *The projections or other information generated by this financial plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results herein may vary with each use of the software tool(s) used to generate this financial plan and over time.***

The financial plan may contain ideas for your consideration concerning aspects of your life such as tax, retirement and estate planning, but these are not presented as, and must not be taken for, legal or tax advice. It is your responsibility to determine if, and how, the suggestions contained in the financial plan should be implemented or otherwise followed. You must carefully consider all relevant factors in making these types of decisions. For specific advice on these aspects of your overall financial plan, you should consult your professional tax and legal advisors. The report that follows is based upon:

- information and assumptions that you have provided or reviewed;
- current tax laws;
- appropriate financial planning concepts;
- historic asset class characteristics;
- additional assumptions and information discussed with your advisor.

The outcome of the analysis will be dependent to a significant extent upon the information and the reasonableness of the planning assumptions. It is your responsibility to provide accurate and complete information. Please contact your advisor with any changes to your information and/or planning assumptions. Inaccurate information and/or unreasonable planning assumptions can materially impact the results of this financial plan.

The simulation of returns at the individual asset, account and/or portfolio level drives the investment projections and proposed financial plan. In all cases investment projections are not to be considered definitive estimates of how the individual assets you own now or in the future will perform. Therefore, it is important that you recognize that the comparisons shown may include comparisons of two asset allocation models—the asset allocation of your current portfolio and the asset allocation projected in our proposed plan—and not comparisons of the individual securities you own. Model comparisons and the projected rates of return are based on past performance of the relevant asset classes. Past performance is not a guarantee of future results. No future rate of return can be predicted with certainty.

The report that follows does not make specific investment recommendations or analyze particular securities. Rather, the report typically contains a proposed asset allocation model based upon your stated risk tolerance, age, current asset allocation and value of your assets. The asset allocation models we use are continuously re-evaluated and are periodically changed as a result. We are under no obligation to revise any financial planning report already prepared if an allocation model is changed after it is issued to you.

Actual results are influenced by events that are both within and outside of your control. The rates actually returned by asset classes will differ from our projections. The rates actually returned by any allocation model noted within the financial plan will likely differ from those returned by any individual portfolio of securities constructed to follow a specific allocation model. Any rate of return shown or used in the financial plan is not intended to predict nor guarantee the actual results of an investment product.

**IMPORTANT: *Investments in stocks, bonds, mutual funds, and other securities are not bank products, are not FDIC insured, and may be subject to loss of principal.***

We have read and understand the above information and disclosures. We understand the basis upon which the report that follows was prepared. We recognize the nature of the asset allocation comparisons and estimated returns as illustrations only. We acknowledge that the report may contain a recommendation for adjusting the asset allocation of our current investment portfolio(s), but it does not provide any guaranteed rates of return, advice on particular securities or any specific legal, tax or accounting advice.

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Client Signature

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Spouse Signature