



Financial Roadmap

FOR: JOHN SMITH

Thank you!

Thank you for trusting our team at InvestRx to complete your financial plan. We hope that this plan helps bring clarity to your financial situation and relieves some of the stress of meeting your every-day needs. It can be intimidating to dive in to your personal finances, but it is the only way to diagnose problems and create a strategy to reach your future goals. You are on the right track!

Objectives

1

Decide how to pay back sign-on bonus & CEU course at work

2

Plan for potential new car in near future

3

Student Loan Payment Plan



General Information

Net worth

You're off to a good start! Most people think that they are falling behind, but the fact that you are looking at this plan means that you have taken a step that most people haven't. Way to be ahead of the curve!

NET WORTH		
	Asset	Liability
Car	10,000	3,000
Checking Account	1,500	
Savings Account	13,000	
401K	6,000	
401K-2	1,000	
Student Loans		195,000
Total	\$31,500	\$198,000
Net Worth without Student Loans	\$28,500	
Net Worth including Student Loans	\$165,000	

Current income vs current savings

It all starts here. Your whole financial picture can be boiled down to Spending and Saving. This is the foundation for a solid financial plan - the more you are able to save, the faster you will be able to accomplish your goals.

INCOME VS. SAVINGS		
	Amount	To/From
Monthly Income	\$4,000	Current Employment
Monthly Expenses	\$3,000	Misc. Expenses
Monthly Savings	\$1,000	100% into savings
Current Savings Rate		25% of take-home pay

Major expenses in the next five years

Here's what's coming around the corner for you. We want to start building up cash savings to cover these near-term expenses. It's much easier to save over time than it is to come up with a lump sum. Don't wait until it's too late!

UPCOMING EXPENSES WITHIN FIVE YEARS		
	Amount	Timeline
Employer Payback	\$3,400	1-2 Months
New Car*	\$8,000	1 Year
House Down Payment**	\$30,000	2-5 years
Total	\$41,400	

* Assuming you sell or trade in your car, and take a loan for the remainder

** Assuming 20% down on \$150k home

Student Loans

STUDENT LOAN SUMMARY						
	Balance	Interest Rate	Min Payment	Current Payment	20yr Payment Plan	30yr Payment Plan
Direct Student Plus Loan - 06/08/15	\$42,485.69	7.21%	\$12.08	\$70.87	\$332.05	\$285.63
Direct Student Plus Loan - 08/20/14	\$35,283.06	7.21%	\$10.03	\$58.85	\$275.76	\$237.21
Direct Student Plus Loan - 05/11/16	\$32,924.26	6.84%	\$9.36	\$54.04	\$250.24	\$213.43
Direct Unsub Stafford Loan - 08/15/10	\$3,398.94	6.80%	\$0.97	\$5.57	\$25.71	\$21.91
Direct Unsub Stafford Loan - 06/08/15	\$23,180.93	6.21%	\$6.59	\$36.98	\$167.83	\$140.94
Direct Unsub Stafford Loan - 08/20/14	\$24,283.81	6.21%	\$6.91	\$38.74	\$175.82	\$147.65
Direct Unsub Stafford Loan - 05/12/16	\$21,854.29	5.84%	\$6.21	\$34.29	\$153.69	\$127.82
Perkins	\$2,010.00	5.00%				
Direct Sub Stafford Loan - 08/15/10	\$1,391.00	4.50%	\$0.40	\$2.08	\$8.77	\$7.02
Direct Sub Stafford Loan - 08/19/13	\$3,574.43	3.86%	\$1.03	\$5.18	\$21.31	\$16.72
Direct Sub Stafford Loan - 08/14/12	\$3,121.86	3.40%	\$0.90	\$4.43	\$17.91	\$13.80
Direct Sub Stafford Loan - 08/23/11	\$1,249.38	3.40%	\$0.36	\$1.77	\$7.17	\$5.53
	\$194,757.65	5.54%		\$311.03	\$1,436.26	\$1,212.13



Your Goals



CALENDAR						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Goal #1

PAY BACK SIGN-ON BONUS & CEU COURSE AT WORK

SUMMARY- You owe ~\$2,000 back to your employer for a sign on bonus and CE courses that you took. The dilemma you were looking for guidance on is whether to pay that out of your savings, or to have it deducted from your last paychecks and your remaining PTO.

RECOMMENDATION

Because you have over \$17,000 in your savings account, you are in a good position to pay the balance back to your employer out of pocket. You even mentioned that you had set the money aside specifically for that purpose. However, since your employer is not charging interest, and the amount deducted from your remaining paychecks would equate to the same lump sum number you would pay, choosing the installment option is equally viable.

This, like many financial decisions, comes down to whichever payment method you are most comfortable with. Neither has a major financial edge on the other. If you are most comfortable paying the balance from your savings, I would say you should go ahead and do that.



Goal #2

PLAN FOR POTENTIAL CAR IN THE FUTURE

SUMMARY- Your car has been giving you problems and you want to replace it. You said that you have been dumping money into the car and want to drive something reliable.

RECOMMENDATION

My rule of thumb for buying new cars has always been to calculate the yearly amount that you spend on maintenance and compare that to what your car payments would cost on a new vehicle. In most cases, it makes sense to hang on to an older car, even if it feels like it's getting expensive.

However, if you do decide to buy a newer car, I recommend looking for something at least a year or two old. You can buy "certified pre-owned" or similarly titled cars from dealerships, and many even still have warranties. Buying used often times can save you thousands of dollars over a brand- new car.

You have a good chunk in savings, and your car still has value to sell or trade in, so you are in a relatively good place right now. I would not advise against buying a newer car, if you feel that is the best decision, only to weigh the cost vs. benefits.



Goal #3

STUDENT LOAN REPAYMENT

SUMMARY- You would like to analyze your current payment plan and come up with a strategy to get the loans paid down faster.

RECOMMENDATION

Currently, you are paying just over \$300/m towards student loans. As you can see, in order to get these loans paid off in 20 or 30 years, this number needs to be substantially higher. Thankfully, you are in a good position to bump your savings rate. You currently put \$800/m into cash savings. Since you are at a level where you feel relatively comfortable, I would recommend cutting that down and putting the majority of your additional income toward these loans. You are also about to get a raise, and will be spending substantially less on gas with a shorter commute, so I think that the \$1200 - \$1400/m savings target is very doable for you.

I also think you may be a good candidate to refinance your student loans. Your current average interest rate is 5.54% and your weighted average is 6.5% (since your largest loans have the highest rate). If you can find a company to refinance your loans at a rate lower than 6.5%, it could save you a lot of money over the long run. A couple companies to check out are SoFi, Student Loan Hero, and Credible. As I mentioned on the phone, this is not something that you want to do if you think you have a chance of your loans being forgiven through a Federal program, but that doesn't sound like it's the case in your scenario.

Additional Recommendations

There are certain things that everyone needs in order to have a firm financial foundation. Retirement savings and a base level of life insurance are two of those things. Here are a few of our recommendations for these areas.

RETIREMENT SAVINGS

It can be difficult to balance cash savings, loan payments, and retirement savings, but they are all important pieces of your long-term financial health. Right now, the bulk of your savings should be going to pay off your student loans, however it is wise to set aside some money into a 401(k) or IRA each month. The amount doesn't have to be large, but can increase over time as your salary increases.

Start by making sure you contribute enough to your company's 401(k) plan to get their full match. Then set an additional amount you want to contribute to your retirement each month. This amount can be added to your 401(k) or can be contributed to a Traditional or Roth IRA. We highly recommend Roth IRAs for younger people because once you contribute to them, all growth and future withdrawals (after 59 1/2 years old) are completely tax-free. If you need help opening an IRA let us know and we would be happy to do that for you.

INSURANCE

You currently have a \$20,000 term life insurance policy and a 60% disability policy through your work. In your current situation, this amount is probably just fine. Once you have a house, get married or have children we will want to re-assess your insurance situation. You always want to have enough insurance to, at a minimum, cover all of the liabilities that will get passed down to your family. If you are a provider, you also want enough to support your loved ones for 5-10 if you were to pass away. If you find yourself in a situation where you think you need more insurance, let us know and we would be happy to help you shop for a new policy.

Other InvestRx Services

Here are some of our other products to help you Plan, Save and Invest.

CASH RESERVE ACCOUNT

Whether you are a seasoned investor, or just beginning to explore your options, everyone needs an emergency fund.

InvestRx Save is a cash reserve account that allows you to save toward your short-term goals while earning a competitive interest rate. Use this account to create a safety net, save for a major purchase, or sock away some extra cash for a rainy day.

Know that your money is held in a government money market fund and accessible when you need it.

INVESTMENT ACCOUNT

Specifically designed to accommodate the busy lives and unique needs of medical professionals, our investment accounts blend the ease of technology with the as-needed personal touch of financial advisors.

After answering a few questions, you will be guided into one of our advisor-built portfolios – tailored to your desired level of risk. Transfer over an old 401(k) or set up auto-deposits to start funding your account and we will invest your money in the market, making sure it stays balanced over time.

Take the hassle out of investing with our intuitive online platform and our simple financial planning tools. And if you need some personal advice, use your complimentary 30 minute diagnostic call to talk to a real advisor.

If you are interested in either of these services, [contact us](#) and your InvestRx advisor will reach out with more information

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