Burke Family's Plan

Group 2: Meredith Clark, Conor Jones

Clients

Melissa: 34

Medical Device Sales

Damian: 31

Cardiologist

Ezra: 7

2nd Grade

Liam: 6

1st Grade

Financial Snapshot

Current Total Income:

Melissa: $240,000

Damian: $65,000

Investments:

$997,000

Liabilities:

$566,000

Net Worth:

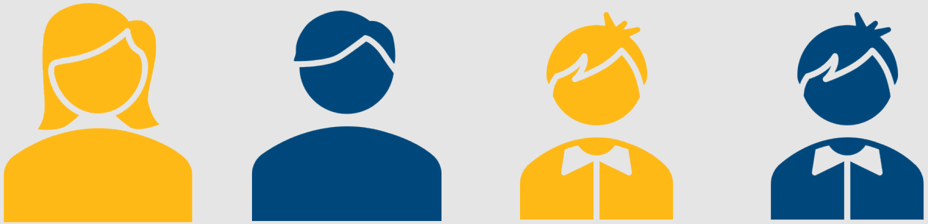
$2,192,500

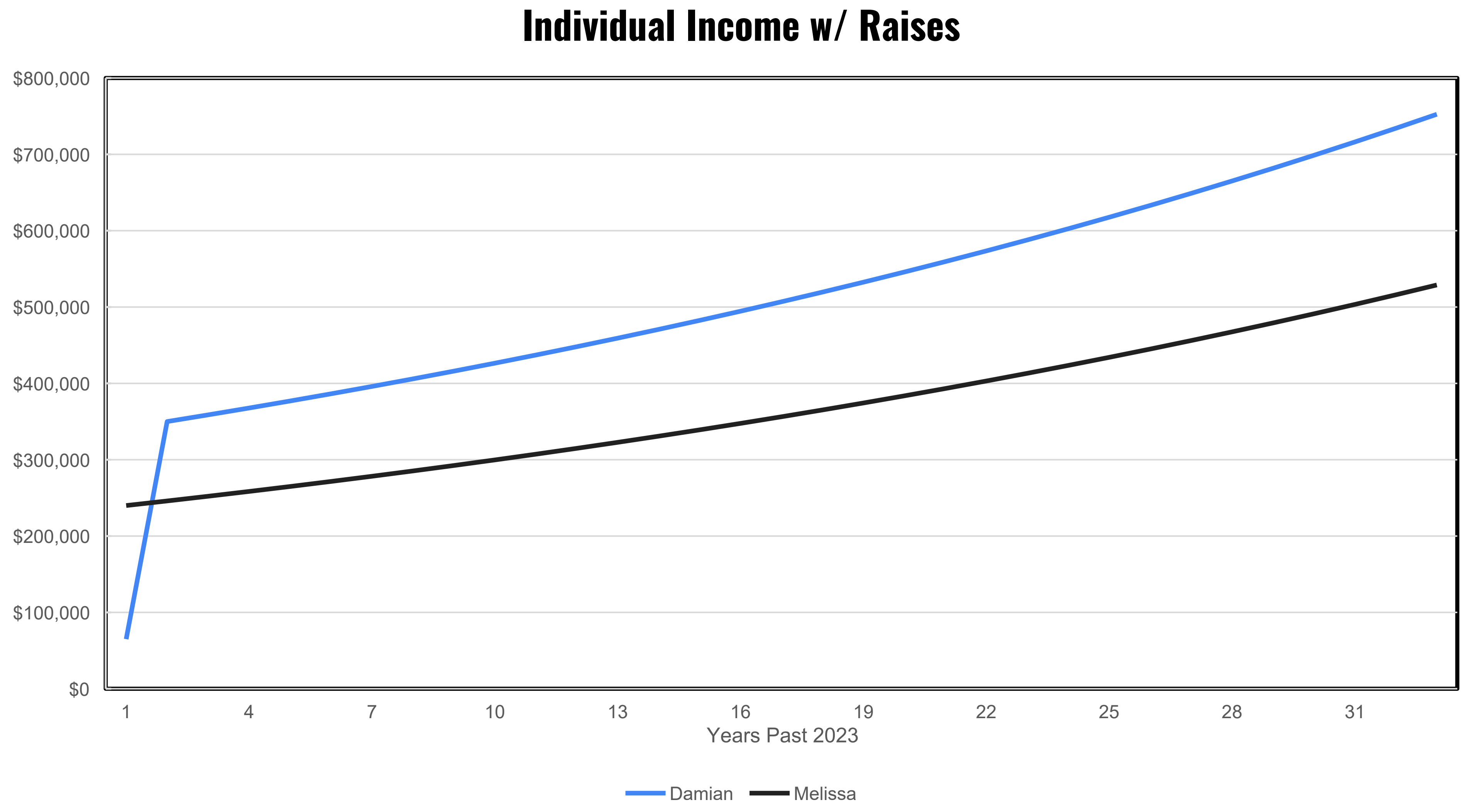
Future Income:

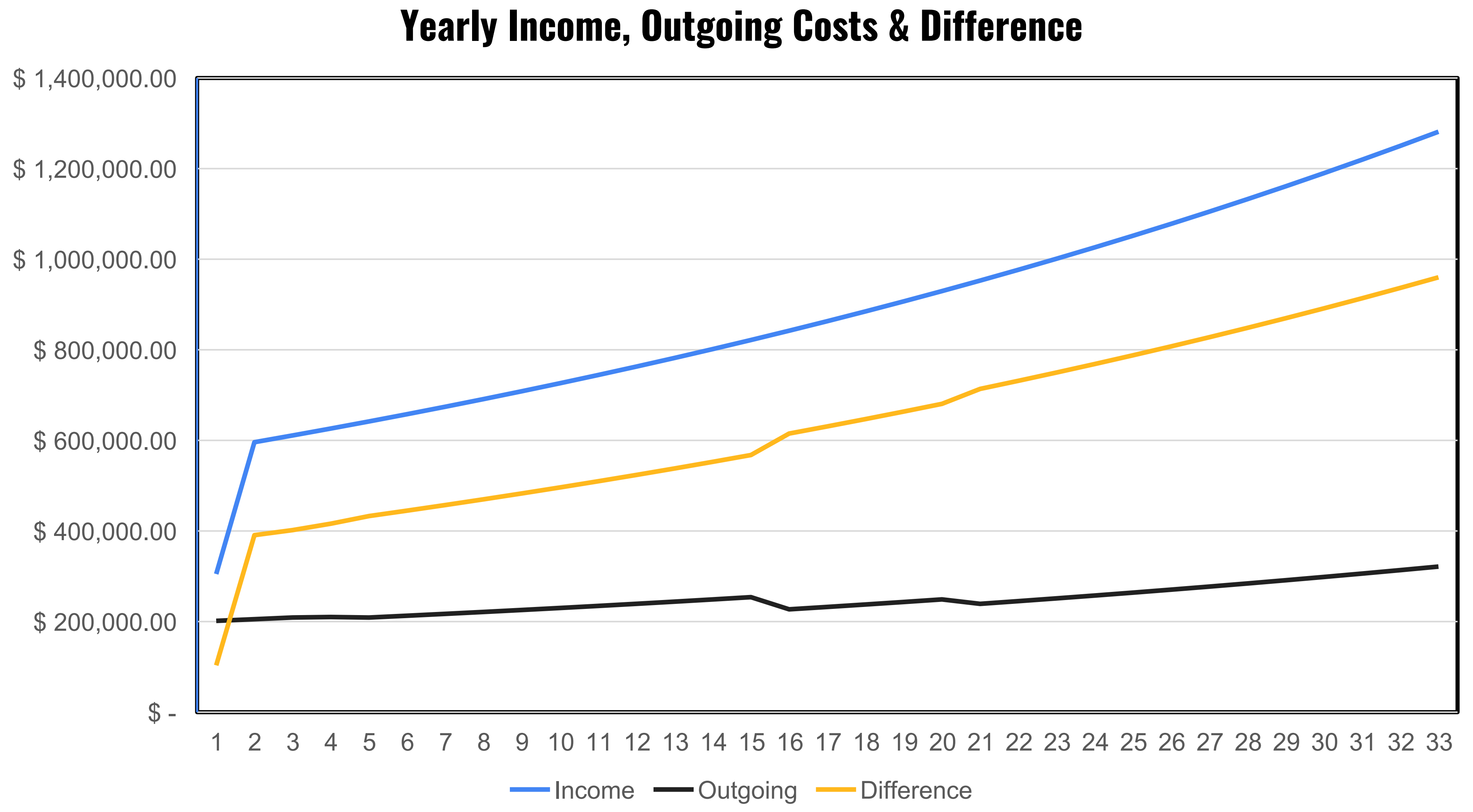
Damian: $360,000

Cash and Cash Equivalents + Personal Assets:

$1,761,500




Individual Income w/ Raises
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
1
4
7
10
13
16
19
22
25
28
31
Years Past 2023
Damian
Melissa

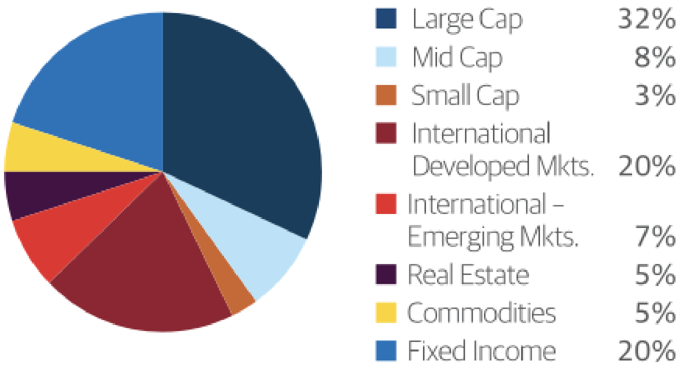

Yearly Income, Outgoing Costs & Difference
$ 1,400,000.00
$ 1,200,000.00
$ 1,000,000.00
$ 800,000.00
$ 600,000.00
$ 400,000.00
$ 200,000.00
$ -
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33
Income
Outgoing
Difference

Primary Suggestions

- Move $7,590 from savings account to the brokerage account
    - Always have 6 months of outgoing costs saved in case of prolonged disability or death
- Move $68,410 from savings to a CD
- Roll over the Melissa's old 401(k) account to her new 401(k) at no charge
- Roll IRAs into each other
- Move brokerage account to Northwestern Mutual
- Revest in current life insurance plan

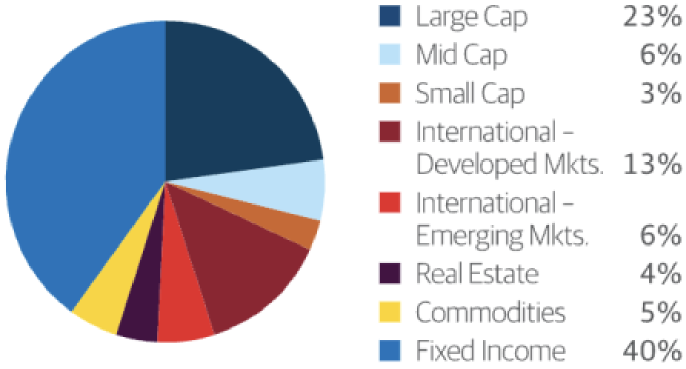
Risk Profiles

Retirement: Aggressive



APY: 5.87%

Education: Balanced



APY: 5.1%

Financial Goals

1. Retire on $240,000/year in today's dollars at Damian's age 62

2. $160,000 in today's dollar saved for college education for the boys

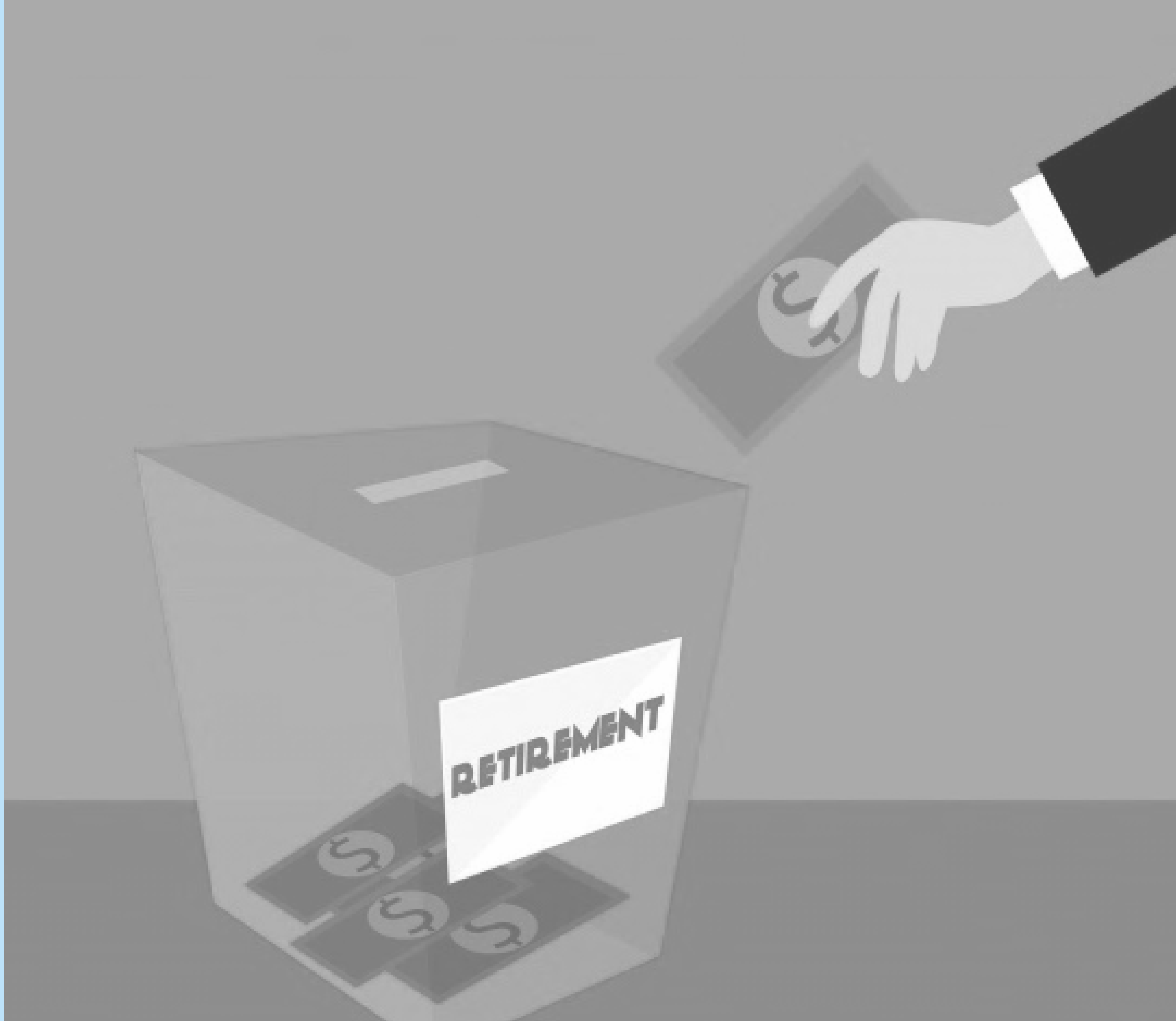
3. Protection in case of unexpected death

4. Financial protection in case of prolonged disability or illness

5. $1,000,000 in Charity

6. Proper investment allocation strategy

Retirement Planning



Retirement Needs

Current Retirement Investments:

$313,000.00

Required Retirement (Today's Dollars):

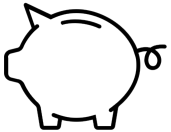
$20,000/monthly

Required for 33 Year Retirement (Future Dollars):

$27,148,334

Current Investment Amounts

- Current 401(k) combined: $275,000
- Current 403(b): $12,000
- Brokerage: $586,733
- IRA Combined: $11,600
- CD: $16,000



401(k) and 403(b) Plans

Change the input into both the 401(k) and 403(b)

- Decrease Melissa's yearly 401(k) input to $8843 until Melissa turns 53, when she will input $27000
- After 4 years (Damian's age 35), increase 403(b) input from $2700 yearly to $15000, and at 50 increase input to $27000

Stocks held

40% of post-expenses cash will be put into brokerage account:

At end, equities will equal $16,532,130.57

70% of brokerage account is in stocks, of that...

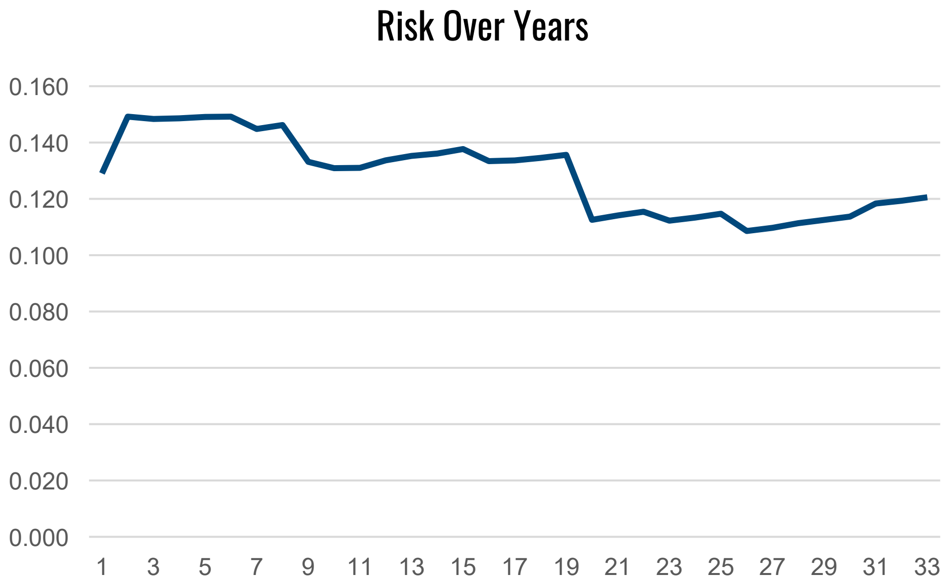
- 45.71% is Large Cap, or $ 7,036,183 at end
- 11.42% is Mid Cap, or $ 1,757,891 at end
- 4.28% is Small Cap, or 658,824.4 at end
- 28.57% is International Developed Mkts., or $ 4,397,807 at end
- 10% International Emerging Mkts., or $ 1,539,309 at end

CD’s

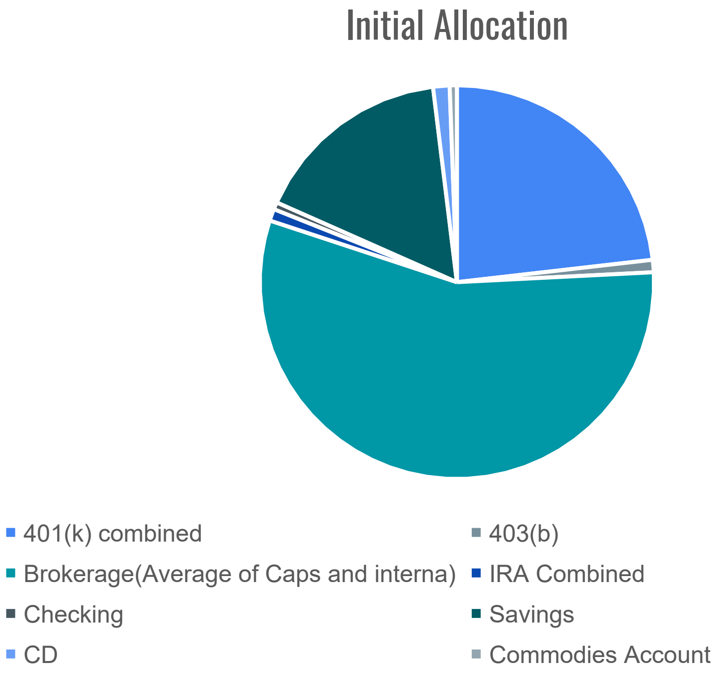
- Keep current amount and invest .5% post expenditure money each year into CD, along with principle and interest.
    - $ 1,834,263.532 at end

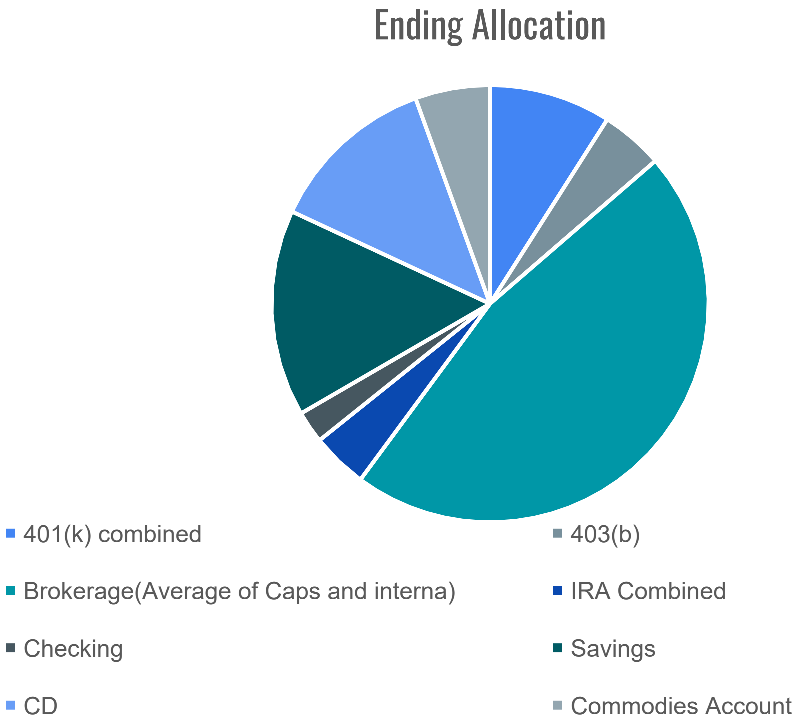
Risk Over Years Calculation

Calculated risk over pre-retirement years. Attempts to reduce the risk of investments nearing retirement and allow for more risk closer to the start of work.



Post-Retirement





Education Planning

Education Needs

Ezra’s Tuition in Future Dollars (4 Years): $111,693 Current 529: $45,000

Liam’s Tuition in Future Dollars (4 Years): $114,486 Current 529: $31,000

529 A.P.Y. Assumption: 5%

Based on Tuition Costs, Inflation, Current Investments, and 529 A.P.Y., the boy's total tuition should be paid off by the plan if you:

- Continue adding $3600 into Ezra's account until his age 13, when $150 should be added, and then no more.

- Continue adding $3600 into Liam's account until his age 17, when $780 should be added, and then no more.

Financial Plan Summary

- Continue investment in 529 plan
- Increase input in 401(k) & 403(b)
- Consolidate various accounts
- Aggressive model for brokerage account