Personal financial plan

Establish good credit and avoid excessive debt Invest aggressively for retirement Buy a first home and build equity Make a will andhealthdirectives Age 30-45 Create an estate plan. Buy adequate life and disability insurance. Keep investing as much as possible. Save for children's college. Age 45-65 Leverage peak earning years to build financial security. Shift retirement savings as necessary. Review estate plans regularly as assets grow and to reflect changing life circumstances. Age 65 and beyond

Appropriately rebalance assets to manage risk. Take action to minimize estate taxes and facilitate wealth transfer to descendants. Make sure health insurance is adequate. What was used to help establish the personal financial plan was a website that had an example of a financial plan considering life-stage changes. The example was helpful because it showed different ages of an individual's life and what should be done during those stages. The example was helpful to use because the example is very similar to the situation and life style changes that are becoming an issue.

The financial resources that would be used to help make financial decisions would be to get a loan from the bank for a mortgage. Taking out a bank loan would only be used if there was a large amount ofmoneyneeded and there was not enough saved up to use. It is important to have a nest egg to fall back on in case of emergencies so an individual does not have to use financial resources to get him or her out an emergency situation. Short-TermGoalsFinishing college Increasing savings account Purchasing a new vehicle Reducing high interest debt Buy life insurance Make plans for retirement

Intermediate-Term Goals Paying off expensive debt Creating an emergency fund to cover 12 months of expenses Buying a new car Taking special vacation Long-Term Goals Own a home free of mortgage payments Own a vacation home in the mountains somewhere remote Accumulate enough funds to not have to work, but maybe something part time in case I get bored My personal risk tolerance is very conservative at this current moment of life. Although my time horizon has many years to invest, right now the asset level is not high enough to have very much left to invest. My risk olerance is also conservative because of lack of experience and knowledge of investing. In the future when there is a higher asset level, there could be a possibility of hiring a professional to help with an investment. My time horizon impacts my financial plan because of how many years that there is left before retirement. The number of years that an individual has before retirement is important to determine how to invest and save money. By the time ofgraduation, there should be close to forty years to take on risky investments. There will also be forty years to load a portfolio with bonds and cash.

Cash Flow Statement

Start saving, keep saving, and stick to your goals Contribute to your employer’s retirement savings plan Learn about your employer's pension plan Don't touch your retirement savings Ask your employer to start a plan

Put money into an Individual Retirement Account Find out about your Social Security benefits Time value of money impacts this part of the plan because the longer money is saved, the more it will be worth when an individual retires. When you save or invest money, it will be worth more because it will gain interest by investing it. The earlier a person invests or saves money, the longer that the amount of money has time to gain interest and increase in value.