

Financial Plan: Ross & Rachel

September 19, 2020



Where You Are Now

Your Net Worth

\$930,111

As of September 2018

Assets: **\$1,308,615**

Liabilities: **\$378,504**

Since you have some excess cash from Rachel's inheritance, we are going to redirect those funds to some of your goals!

Net Worth

Cash: \$223,378

Brokerage: \$320,396

Retirement: \$306,347

Real Estate: \$458,494

Mortgage: \$370,833

Auto Loan: \$7,671

Top Money Goals:

- Optimize your finances to save for financial independence and travel.
- Streamline and automate your retirement and investment accounts.
- Work towards shared financial goals now that you're getting married.

Your Action Items:

- Both proceed with running quotes with ABC Company for your 25-year term life insurance policies.
- Ross – continue the process of liquidating the individual stocks.
- Rachel – contact your retirement plan provider to:
 - Increase your 403(b) contributions to the maximum.
 - Update your 403(b) asset allocation per our recommendations.
- Begin working on your prenuptial agreement with family law attorney.
- Rachel – switch to Ross' health insurance once you're married.
- Rachel – invest a portion of the \$175k in cash to your new Betterment account.
- Rachel – open a Betterment IRA and contribute \$5,500 to it. Then do a backdoor Roth (Sophia will email you instructions detailing how to do this).
- Ross - max out your non-deductible IRA with \$5,500. (Do not convert).
- Ross – update your Schwab SEP-IRA allocation per our recommendations.
- Reach out to John for a tax projection.

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My Thoughts

You are doing a great job updating the investment allocations and contributions for your work place retirement plans. This means that we can work towards maximizing your retirement accounts, getting insurance policies in place, obtaining a pre-nuptial agreement, and directing your savings to the highest and best use.

Given the fact that you're getting married this fall, we believe you can really benefit from a year-end tax projection. We highly recommend John M., CPA, who works with a number of our clients and has experience with complex tax situations.

Already Completed Tasks:

- ✓ Reviewed Rachel's 403(b) contributions
- ✓ Planning for extended travel next summer
- ✓ Discussed a work transition for Ross
- ✓ Ross started selling a portion of his individual stocks and obtained temporary life insurance coverage for \$1,500,000.

Topics for Our Next Meeting

- Insurance review (life, auto, home, condo, umbrella, short and long-term disability insurance).
- Set up estate planning documents once married.
- Discuss a joint emergency savings goal.