

W  N D E R  
WEALTH MANAGEMENT  
Lou's Financial Plan

Prepared By: Danielle "Dia" Winder, MBA, CFP®  
[financialservices@winderwealthmanagement.com](mailto:financialservices@winderwealthmanagement.com)

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# Welcome

## to the Winder Wealth Management Community, Lou!

Winder Wealth Management, LLC was founded on the belief that everyone deserves a chance to become financially successful, no matter their income bracket or how much money their investment portfolio contains.

We would like to congratulate you on taking the first step towards a brighter financial future!

Contained within your Financial Plan is a review of your current financial situation, based on the information you provided, and where you should be, based on researched **Benchmarks**. Included along the way are recommendations that we believe will improve your overall financial health. These recommendations are suggested for you based on a number of factors, including your current financial status, personal profile and goals.

A few items to note prior to reviewing your Financial Plan:

1. This analysis is based on the information that you have provided through the financial profile you have submitted. Winder Wealth Management, LLC assumes all of the information you have provided is accurate and does not independently verify the accuracy of the submitted information. If the data originally supplied to Winder Wealth Management, LLC is incorrect, the plan will reflect these inaccuracies. Certain assumptions made by us, or you, may also limit the accuracy of the data. Please review data carefully.
2. As Winder Wealth Management, LLC does not recommend or endorse the services of financial institutions, the recommendations provided are for you to implement at the financial institution of your choice. Winder Wealth Management, LLC may, at its discretion, discuss general features of financial accounts that may relate to your recommendations.
3. Many of the financial concepts discussed in this plan are defined in Appendix A of this document, in case you are unfamiliar with them. These terms will be in blue font and underlined. For example: “^”.
4. Inflation rates, risk-free rate and rates of return are based on historical data and utilized where necessary. Your rate of return was estimated based on the answers you have provided thru the Risk Assessment Questionnaire, along with your timeline for any specific goals. This rate of return was utilized as needed to complete your Financial Plan.



# Lou's Goals

The table below represents our analysis of the goals you listed in the Financial Goals section. Based on your goals and the information provided, we've created a realistic Action Plan on the next page that contains recommendations to help you accomplish them.

<b>Financial Goal</b>	<b>Time to Grow (Months)</b>	<b>Monthly Savings Needed</b>
Debt Repayment - Credit Card	0	N/A
Retirement (Self)	350	\$686.48
Travel	7	\$392.37
Emergency Fund	14	\$1,156.34
<b>Total Monthly Amount Needed</b>		<b>\$2,235.18</b>

# Lou's Action Plan

- ❑ Fund a checking account with \$3,254.16 per month for all of your bills, subscriptions, memberships, medical payments, debt payments, and insurance payments.
- ❑ Fund a 2nd checking account with \$1,602.47 per month for all of your Living Expenses, such as Groceries, Pets, Transportation/Fuel/Auto Services/Home Services, Shopping, Restaurants, Living Expenses, Charitable Contributions, and Other Living Expenses.
- ❑ Based on the info provided and a Living Expenses Benchmark, you have enough money at the end of the month to pay for Living Expenses and save for your Financial Goals, but you should review your Expenses to find additional money to save for your Financial Goals.
- ❑ Purchase Renters Insurance as soon as possible to protect your personal property
- ❑ Put \$500.00 into an online savings account to fully fund your Rainy Day Fund
- ❑ Establish and Fund your Emergency Funds as follows:
  - ❑ Put \$7,880.92 into an online savings account, and
  - ❑ Save \$1,156.34 for 13 months
  - ❑ Plus an additional savings of \$679.56 the next month

## Your Goals' Action Plan

- ❑ Before saving for your goals, you should finish creating a strong financial foundation by fully funding your Emergency Fund. Your goals and savings amounts have been updated to include the time it takes to fully save for this Fund.
- ❑ You'll pay off your Credit Card Debt in 11 months, which is less than the amount of time needed to save for your financial foundation
- ❑ To Retire at 67 and 4 months, you'll need to save \$686.48 per month for 350 months
- ❑ To save for your Travel Goal, you should save \$392.37 for 7 months



# Lou's New Budget

Based on your current spending, your debt, and your goals, we've compiled the below Budget which should help you accomplish some, or all of your goals.

## Statement of Income and Expenses

Expected for 2022

<b>INCOME</b>	<b>Current Monthly Income</b>	<b>New Monthly Income</b>	<b>Increase/(Decrease) In Cash Flow</b>
Salary	\$7,083.33	\$7,083.33	\$0.00
Other Income	\$25.00	\$25.00	\$0.00
Other Cash Flow	\$116.67	\$116.67	
<b>Total Household Income</b>	<b>\$7,225.00</b>	<b>\$7,225.00</b>	<b>\$0.00</b>

<b>EXPENSES</b>	<b>Current Monthly Spend</b>	<b>New Monthly Spend</b>	<b>Increase/(Decrease) In Cash Flow</b>
<b><u>Non-Discretionary Expenditures</u></b>			
Rent	\$1,100.00	\$1,100.00	\$0.00
Bill & Utility Payments	\$355.00	\$355.00	\$0.00
Subscriptions	\$105.99	\$105.99	\$0.00
Debt Payments	\$898.00	\$898.00	\$0.00
Insurance Payments	\$545.17	\$560.17	\$15.00
<b>Total Non-Discretionary Expenditures</b>	<b>\$3,004.16</b>	<b>\$3,019.16</b>	<b>\$15.00</b>

<b>Other Non-Discretionary Expenditures</b>			
Transportation/Auto & Home Services	\$252.00	\$252.00	\$0.00
Groceries	\$320.00	\$320.00	\$0.00
Insurance Deductibles & Copays	\$250.00	\$250.00	\$0.00
Alimony/Child/Parent/Dependent Support			
Home Association Fees/Dues			
Other Expenses			
<b>Total Other Non-Discretionary Expenditures</b>	<b>\$822.00</b>	<b>\$822.00</b>	<b>\$0.00</b>

<b><u>Discretionary Expenditures</u></b>			
Living Expenses	\$1,030.47	\$890.88	(\$139.59)
Current Savings	\$1,250.00	\$1,156.34	(\$93.66)
<b>Total Discretionary Expenditures</b>	<b>\$2,280.47</b>	<b>\$2,047.22</b>	<b>(\$233.25)</b>

<b>Taxes</b>			
Income Taxes	\$1,336.63	\$1,285.83	(\$50.80)
Real Estate Taxes			
<b>Total Taxes</b>	<b>\$1,336.63</b>	<b>\$1,285.83</b>	<b>(\$50.80)</b>

<b><u>Remaining Funds</u></b>	<b>(\$218.25)</b>	<b>\$50.80</b>	<b>\$269.05</b>
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# Lou's Financial Position

A **Balance Sheet** is a statement at a moment in time of your financial position that shows what you own (**Assets**), what you owe (**Liabilities**) and what is left over (**Net Worth**). You'll also see your Household Net Worth (Total Assets minus Total Liabilities). Additionally, you'll see how your Total Assets are allocated across each category. This is useful in seeing trends over time, as well as the composition of your Balance Sheet.

## Statement of Financial Position Balance Sheet dated as of December 29, 2022

Assets			Liabilities and Net Worth		
		% of Total Assets			% of Total Assets
<b>Current Assets</b>			<b>Current Liabilities</b>		
Checking Accounts	\$4,557.00	8.47%	Credit Card Debt	\$4,598.00	8.54%
Savings Accounts	\$5,790.00	10.76%	Medical Debt		
<b>Total Current Assets</b>	<b>\$10,347.00</b>	<b>19.23%</b>	Other Debt		
			<b>Total Current Liabilities</b>	<b>\$4,598.00</b>	<b>8.54%</b>
<b>Investment Assets</b>			<b>Long-Term Liabilities</b>		
Certificates of Deposit			Student Loans	\$47,000.00	87.33%
Investment Accounts	\$7,980.00	14.83%	Personal Loans/LOC	\$2,579.00	4.79%
Retirement Accounts	\$20,500.00	38.09%	Auto Loans/Leases		
Education Savings			Mortgages		
<b>Total Investment Assets</b>	<b>\$28,480.00</b>	<b>52.92%</b>	Home Equity Loans/LOCs		
			2 <sup>nd</sup> /Vacation Prop. Mortgages		
<b>Personal Property Assets</b>			Other Debt	\$2,500.00	4.65%
Real Estate			<b>Total Long-Term Liabilities</b>	<b>\$52,079.00</b>	<b>96.77%</b>
2 <sup>nd</sup> /Vacation Property					
Autos	\$5,790.00	10.76%	<b>Total Liabilities</b>	<b>\$56,677.00</b>	<b>105.31%</b>
Personal Property	\$4,200.00	7.80%			
Other Assets	\$5,000.00	9.29%			
Other Assets					
<b>Total Personal Prop. Assets</b>	<b>\$14,990.00</b>	<b>27.85%</b>			
			<b>Total Net Worth</b>	<b>(\$2,860.00)</b>	<b>-5.31%</b>
<b>Total Assets</b>	<b>\$53,817.00</b>	<b>100.00%</b>			



# Lou's Current Spending

An **Income Statement** shows where your cash is coming from, where it's going and what remains. Additionally, by looking at each category as a percentage of your total income, you'll be able to see how much of your money is being earned by or spent on each category, as well as where any savings should come from.

## Statement of Income and Expenses Expected for 2022

### INCOME

	Monthly	Yearly	% of Total Yearly Income
Salary	\$7,083.33	\$85,000.00	98.04%
Other Income	\$25.00	\$300.00	0.35%
Other Cash Flow	\$116.67	\$1,400.05	1.61%
<b>Total Household Income</b>	<b>\$7,225.00</b>	<b>\$86,700.05</b>	<b>100.00%</b>

### EXPENSES

#### Non-Discretionary Expenditures

Rent	\$1,100.00	\$13,200.00	15.22%
Utility Payments	\$355.00	\$4,260.00	4.91%
Subscriptions	\$105.99	\$1,271.88	1.47%
Debt Payments	\$898.00	\$10,776.00	12.43%
Insurance Payments	\$545.17	\$6,542.05	7.55%
<b>Total Non-Discretionary Expenditures</b>	<b>\$3,004.16</b>	<b>\$36,049.93</b>	<b>41.58%</b>

#### Other Non-Discretionary Expenditures

Transportation/Auto & Home Services	\$252.00	\$3,024.00	3.49%
Groceries	\$320.00	\$3,840.00	4.43%
Insurance Deductibles & Copays	\$250.00	\$3,000.00	0.29%
Alimony/Child/Parent/Dependent Support			
Home Association Fees/Dues			
Other Expenses			
<b>Total Other Non-Discretionary Expenditures</b>	<b>\$822.00</b>	<b>\$9,864.00</b>	<b>11.38%</b>

#### Discretionary Expenditures

Living Expenses	\$1,030.47	\$12,365.59	14.26%
Current Savings	\$1,250.00	\$15,000.00	17.30%
<b>Total Discretionary Expenditures</b>	<b>\$2,280.47</b>	<b>\$27,365.64</b>	<b>31.56%</b>

### Taxes

Income Taxes	\$1,336.63	\$16,039.51	18.50%
Real Estate Taxes			
<b>Total Taxes</b>	<b>\$1,336.63</b>	<b>\$16,039.51</b>	<b>18.50%</b>

### Remaining Funds

	<b>(\$218.25)</b>	<b>(\$2,619.03)</b>	<b>-3.02%</b>
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# Lou's Insurance Review

Here's a summary of your current coverage across different areas and our recommended next steps for each type of insurance based on the information you've provided.

## Risk Management

## Next Steps

Life Insurance

No coverage is needed based on the info entered

Health Insurance

Review policy with your insurance provider to ensure correct coverage

Auto Insurance

Review policy with your insurance provider to ensure correct coverage

Renters Insurance

Obtain coverage as soon as possible by speaking with an insurance provider

2nd/Vacation Property Insurance

No coverage is recommended based on the info entered

Disability Insurance

Depending on your own health history and your family's health history, you may want to consider talking with an insurance agent to discuss your need for disability coverage.

Long-Term Care Insurance

No coverage is recommended based on the info entered. However, depending on your own health history, as well as your family's health history, you may want to consider talking with an insurance agent about your need for Long-Term Care coverage if you believe your health history warrants it.

Liability Insurance

No coverage is recommended based on the info entered

Other Insurance

No additional coverage is recommended based on the info entered

Additional Insurance Coverage

No additional insurance coverage is recommended at this time



# Lou's Ratio Review

Using the information you've provided, ratios can be calculated to check on the status of your financial health. Below are the ratios most widely used compared to Benchmarks based on other individuals of similar age and income. The closer you are to meeting or exceeding the Benchmark, the healthier you are financially.

*Hint:* Ratios in finance are often decimal values, percentages or periods of time, not the 1:1 kind of ratios you learned about in school.

Ratio	Actual	Benchmark	What This Means	Next Steps
<a href="#"><u>Emergency Fund Ratio</u></a>	2.50	9 to 12 Months	You can currently cover 2.50 months of non-discretionary expenses if you had to use your cash/cash equivalents (i.e. current assets).	Need to increase emergency savings to cover non-discretionary expenses in case of an emergency.
<a href="#"><u>Current Ratio</u></a>	2.25	≥ 1.0x	Right now, you could meet your total current liabilities 2.25 times with the amount of cash/cash equivalents (i.e. current assets) you have in your bank accounts.	Able to manage your total current liabilities as they become due.
<a href="#"><u>Housing Ratio 1</u></a>	15.22%	≤ 28%	15.22% of your gross pay is devoted to housing costs.	Great job managing your housing expenses.
<a href="#"><u>Housing Ratio 2</u></a>	27.65%	≤ 36%	27.65% of your gross pay is devoted to the combination of housing costs and all debt payments.	Great job managing your housing and debt expenses.
<a href="#"><u>Debt Service Coverage Ratio</u></a>	0.89	1.25x or better	You can meet your monthly debt obligations 0.89 times with your monthly cash flow.	Need to reduce monthly debt and expenses, or increase income in order to improve ability to repay monthly debt.
<a href="#"><u>Debt to Income Ratio</u></a>	27.65%	35.00%	27.65% of your gross pay is devoted to debt payments.	Great job managing your debt payments relative to your income.
<a href="#"><u>Debt to Total Assets</u></a>	105.31%	Lower is Better	105.31% of your total assets are considered owned/financed through debt or by creditors.	This ratio is best monitored over time, as it should reduce with age.
<a href="#"><u>Net Worth to Total Assets</u></a>	-5.31%	Higher is Better	-5.31% of your total assets are considered owned by you.	This ratio is best monitored over time, as it should increase with age.
<a href="#"><u>Savings Rate</u></a>	17.30%	16.00%	17.30% of your income is being put aside for accomplishing financial/savings goals.	You are saving enough to meet your financial goals.
<a href="#"><u>Investment Assets to Gross Pay</u></a>	32.85%	160.00%	You have 32.85% of your annual salary set aside for the future in savings, investments and/or retirement accounts.	Need to increase savings rate in order to increase investment asset ratio to the benchmark.



And this concludes your Winder Wealth Management, LLC Financial Plan! On the next few pages, you'll find the appendices, containing definitions to financial terms, plus all plan disclosures (per our lawyers). Now is the time to implement your Financial Plan. If you need assistance with forming next steps, we offer financial sessions for an additional fee to help you build the bridge between your financial knowledge and your financial success.

Your Financial Advisor,

Danielle "Dia" Winder, MBA, CFP®

# Appendix A: Definitions

- **Assets** – Represents anything of economic value that can ultimately be converted to cash.
- **Balance Sheet** – A snapshot of your financial position at a point in time with the items you own (Assets), items that are owed (Liabilities) and Net Worth.
- **Benchmark** – Standard against which the performance of an individual is measured.
- **Current Assets** – Assets which are either cash or can be converted to cash (with little to no change to their current value) within the next twelve (12) months.
- **Current Liabilities** – Represents obligations that are due within the next twelve (12) months.
- **Current Ratio** – The amount of times you can pay off your total current Liabilities with the cash/cash equivalents (i.e. Current Assets) in your bank accounts.
- **Debt Service Coverage Ratio** – The amount of times you can meet your debt obligations with your cash flow, on either a monthly or annual basis. It's a way that lenders (including mortgage lenders) measure an individual's ability to manage payments and repay debts.
- **Debt to Income Ratio** – Measures the percentage of your gross income spent on repaying debt. This ratio can also be found in the Income Statement and Income Statement pie chart under Debt Payments.
- **Debt to Total Assets** – Indicates the percentage of your Total Assets that are considered owned/financed by creditors.
- **Discretionary Expenditure** – A non-essential cost; "wants" rather than "needs".
- **Emergency Fund Ratio** – Measures how many months of Non-Discretionary Expenses you can currently cover with your cash/cash equivalents (i.e. Current Assets).
- **Future Value** – Amount that an Asset will be worth as of a future date, based on an assumed growth rate.
- **Housing Ratio 1** – The percentage of your gross pay devoted to housing costs (principal, interest, taxes and insurance). If you do not currently own a home, your monthly rent payment was used to calculate this ratio.
- **Housing Ratio 2** – The percentage of your gross pay devoted to the combination of housing costs (principal, interest, taxes and insurance) and all debt payments. If you do not currently own a home, your monthly rent payment was used to calculate this ratio.

# Appendix A: Definitions (cont.)

- **Income Statement** – A snapshot of your financial position with all income earned or expected to be earned by you, minus all expenses incurred or expected to be incurred during the time period covered.
- **Investment Assets** – Appreciating Assets or Assets being held to accomplish one or more financial goals.
- **Investment Assets to Gross Pay** – The percentage of your annual salary that you have set aside for the future in savings, investments, and/or retirement accounts . It's a measurement that determines the progress towards your financial/savings goals.
- **Liabilities** – Represents your financial obligations that are due to creditors.
- **Long-Term Liabilities** – Represents obligations that are due beyond the next twelve (12) months and are usually the result of a major financial purchase.
- **Net Worth** – The difference between what you own (Assets) and what you owe (Liabilities). It's the amount of total equity you have accumulated, as of the date of the Balance Sheet.
- **Net Worth to Total Assets** – Indicates the percentage of your Total Assets that are considered owned by you.
- **Non-Discretionary Expenses** – An essential cost, occurring monthly or annually, that is required to be met, regardless of loss of income.
- **Personal Property Assets** – Assets that maintain your lifestyle; valued by appraisals or your estimation of the Asset's value.
- **Present Value** – Amount of cash (either a lump sum or split over payments) needed to be invested at a given growth rate, in order to reach a desired Future Value. The exact amount you'd invest via a lump sum or series of payments would depend on the rate of return and the number of years until you'll need to use the funds. For example, if you want to retire at age 70 with \$400,000, you would need to invest a total Present Value of \$200,000 at a particular rate of return in order to reach this \$400,000.
- **Remaining Funds** – Represents the amount of cash available after all savings, expenses and taxes have been accounted for. Referred to as net cash flow in the finance world.
- **Savings Rate** – Percentage of income set aside for accomplishing any financial/savings goals.



# Appendix B: Disclosures