

Financial Strategies

Assignment: Confidential Survey

PERSON A (First/Middle/Last) _____ Birth date ____/____/____ Sex _____

Do you contribute to Social Security Yes No

PERSON B (First/Middle/Last) _____ Birth date ____/____/____ Sex _____

Do you contribute to Social Security? Yes No

Is Person A married to Person B? Yes No

Address _____

City _____ State ____ Zip _____

PERSON A

Occupation/Title _____

Employer _____

PERSON B

Occupation/Title _____

Employer _____

If we have questions, how would you prefer to be contacted?

	Person A	Person B
Home Phone	(____) _____ - _____	(____) _____ - _____
Work Phone	(____) _____ - _____	(____) _____ - _____
Other	(____) _____ - _____	(____) _____ - _____

Dependent's name (First/Middle/Last)	Birth date
_____	____/____/____
_____	____/____/____
_____	____/____/____
_____	____/____/____

EDUCATION GOALS

If you're interested in providing a college education fund, fill in the information below:

Name	Annual \$ cost you want to provide (in today's dollars)	No. of years before starting college	No. of years in college	Amount of money saved for this goal so far	Monthly savings amount for this goal	Average rate earned on college savings (%)
1. _____	\$ _____	_____	_____	\$ _____	\$ _____	_____ %
2. _____	\$ _____	_____	_____	\$ _____	\$ _____	_____ %
3. _____	\$ _____	_____	_____	\$ _____	\$ _____	_____ %
4. _____	\$ _____	_____	_____	\$ _____	\$ _____	_____ %
5. _____	\$ _____	_____	_____	\$ _____	\$ _____	_____ %

AVERAGE FIXED CHARGES FOR UNDERGRADUATES, 1997-98 (WEIGHTED)

	Tuition and fees, 1997-98	Room and board, 1997-98
Four-year public	\$3,111	\$4,361
Four-year private	\$13,664	\$5,549

These are enrollment weighted averages, intended to reflect the average costs that students face in various types of institutions. Public tuition and fees are based on in-state rates. The percentage change from 96-97 rates was 5 percent.

THE VALUE OF COLLEGE EDUCATION

AVERAGE EARNINGS:

With High School Diploma:	With Degree beyond High School:
\$12,960	\$28,068

Source: U.S. Census Bureau, Rosalind Bruno, Feb. 29, 1996

PLANS FOR RETIREMENT

Most people are unsure of how much money they will need at retirement to maintain their lifestyle. When to retire is usually just as important as at what income. People are living longer and wanting to retire earlier. This means providing for a longer life expectancy and having a shorter time to accumulate funds. If you are interested in planing for retirement, give these next questions some extra thought.

What is your current gross monthly income? (include income from investments, child support payments, lawsuit proceeds, etc. **only** in Combined)

Person A Salary \$ _____ **Person B** Salary \$ _____ **Combined (household income) \$** _____

At what age do you plan to retire? **Person A** _____ **Person B** _____

Do you want Social Security benefits included in your retirement analysis?

Person A Yes No **Person B** Yes No

How much of your current household monthly income would you need to maintain your lifestyle in retirement.

As a starting point consider 70 - 80% of current household income.

Your estimated gross monthly retirement income need (in today's dollars) \$ _____

OTHER INCOME SOURCES

Some people have multiple income sources in retirement. Do you have, or expect to have, any of the following other sources of income? If so, indicate by checking the boxes below:

- | Person | A | B |
|--------|--------------------------|--------------------------|
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
- Military retirement income
 Disability income benefits
 Pension income- not including 401k
 Rental property income
 Lump sum(s) (i.e. sale of rental property)
 Inheritance or real estate)
 Income from a trust
 Other sources of income

INCOME NEEDS IN RETIREMENT

Pre-retirement income	Income needed in retirement	Replacement ratio
\$30,000	\$24,300	81%
\$40,000	\$32,000	80%
\$50,000	\$39,000	78%
\$70,000	\$53,200	76%
\$90,000	\$67,500	75%

Source: December 1, 1991 Kiplinger's Personal Finance Magazine

RISK MANAGEMENT

CASH NEEDS FOR SURVIVORS

How much cash would you need to cover one-time expenses in the event of a death?

	IN THE EVENT OF Person A's death	IN THE EVENT OF Person B's death
Final Expenses (medical, hospital care and funeral expenses, and or estate settlement costs. If unsure, consider \$10,000 - \$25,000)	\$ _____	\$ _____
Emergency Fund (expenses not to be paid from current income such as major repairs, purchases or emergencies. If unsure, consider 3 - 6 times your family monthly expenses.)	\$ _____	\$ _____
Housing Fund (to set aside enough for your survivors to have the option to pay off your mortgage, make payments out of this fund or provide for a down payment of "rent fund")	\$ _____	\$ _____
Debt Liquidation (to pay off other debts - cars, school loans, credit cards, etc.)	\$ _____	\$ _____
Education Fund (to pay the cost of college or vocational training. There is no need to fill this in if you filled in the "Education Goals" section.)	\$ _____	\$ _____
Others (gifts or bequests to family, religious organizations, charities, etc.)	\$ _____	\$ _____

INCOME NEEDS FOR SURVIVORS

How much current household monthly income would your survivors need to maintain their lifestyle in the event of a death? Make sure your monthly income need is reduced by those expenses you accounted for in the previous "Cash Needs for Survivors" section. (i.e. If you listed an amount above to pay off your home mortgage, reduce your monthly income need by the amount of the principal and interest portion of your mortgage payment).

Estimated Monthly Income Need for **Person A** in the event of **Person B's** death: \$ _____

Estimated Monthly Income Need for **Person B** in the event of **Person A's** death: \$ _____

ANNUAL GROSS INCOME	PERCENTAGE OF GROSS INCOME REQUIRED
Up to \$39,000	70%*
\$39,001 to \$43,500	66%
\$43,501 to \$48,000	63%
\$48,001 to \$53,500	60%
Over \$53,500	57%

* Based on a study by the Bureau of Labor Statistics, to the left are typical income objectives in order to permit survivors to continue a similar lifestyle. Assumes mortgage on residence is paid (or a rent fund established), and any educational expenses are provided for separately. Two income households generally require 70% of their total gross income regardless of the income level.

INCOME NEEDS FOR DISABILITY

How much of your current household monthly income would you need to maintain your lifestyle in the event of a disability? Often, monthly income needs do not reduce as a result of a wage earner's disability.

Monthly Income Replacement Need for **Person A** in the event of **Person A's** disability: \$ _____

Monthly Income Replacement Need for **Person B** in the event of **Person B's** disability: \$ _____

Not everybody is able to purchase life and disability insurance. In fact, your current health may affect your rates as well as your ability to obtain coverage. Your answers to the following questions will help us better understand your personal situation and your overall need for disability protection. We will take this information into account if we make any life or disability insurance recommendations.

How long would you want to live off your reserves before you begin receiving disability benefits? Check the box corresponding to your preference. 30 days 60 days 90 days 6 months

Within the last 5 years, have you had, been treated for or diagnosed as having a heart condition, chest pain stroke, back or neck problems, a psychological disorder, cancer, diabetes, alcohol abuse or drug dependency?

Person A	Person B
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Have you smoked cigarettes within the last 12 months?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
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YOUR CURRENT LIFE AND DISABILITY INSURANCE

Your current life insurance policies may play several roles in your financial security. Life insurance provides a unique death benefit so financial goals may still be achievable for the survivors. Life insurance can be the pillar of your financial security, by providing cash value for use in funding accumulation goals, college and/or retirement. Disability insurance plays a key role in your financial life because it (in essence) insures your ability to generate an income in case you are too sick or hurt to work.

CURRENT LIFE INSURANCE POLICIES	Death benefit (minus any policy loans)	Annual premium	Current (net) cash value
Person A Group Coverage			
Person A Personal Coverage			
Person B Group Coverage			
Person B Personal Coverage			

CURRENT DISABILITY INSURANCE POLICIES	Monthly benefit amount (or % of salary)	Annual premium	Waiting Period prior to receiving benefits (months)	# of years benefits are paid
Person A Group Coverage				
Person A Personal Coverage				
Person B Group Coverage				
Person B Personal Coverage				

ACCUMULATION GOALS

Saving for other goals may also be important to you! If you are planning for a major vacation, the purchase of a new home or other major financial outlay, we can help you plan for that as well. Are you currently saving for any specific major purchase? If so, please fill in the following information:

Goal _____ Amount needed \$ _____ Years until needed _____

How much have you saved so far? \$ _____ How much are you saving monthly for this goal? \$ _____

OR

My goal is to save \$ _____/mo. for _____ months. I expect to earn _____% annually.

How much will that be worth under those assumptions?

MORTGAGE INFORMATION

Owner (Person A, B or J for Joint) _____ Current mortgage balance \$ _____ Monthly payment \$ _____

Current home value \$ _____ Loan interest rate _____% Remaining term (years) _____

Mortgage company name _____

WE UNDERSTAND WHAT YOU'RE WORKING FORSM



Principal Life Insurance Company
Des Moines, IA 50392-0001
www.principal.com

ASSETS AND LIABILITIES

Type	Owner (A,B, or J for Joint)	Current Market Value	Long Term Average Return	Current Liability	Monthly Savings	Annual % Increase to Savings
Other Real Estate						
Auto 1						
Auto 2						
Personal Property						
Cash & Checking						
Savings Accounts						
Cds, T-bills						
Tax-free Bonds						
Bonds						
Annuities						
Business Interests						
IRA(s)						
401(k) Account(s)						
Mutual Funds (list)						
Stocks						
Other Assets						
Misc. Liabilities		Liability	Annual Interest Charge	Minimum Monthly Payment	Actual Monthly Payment	
Credit Card(s)			%	\$ /mo.	\$ /mo.	
			%	/mo.	/mo.	
			%	/mo.	/mo.	
Other Loans			%	/mo.	/mo.	
			%	/mo.	/mo.	
			%	/mo.	/mo.	

ANYTHING ELSE WE SHOULD KNOW OR DISCUSS DURING OUR NEXT CONVERSATION?

Thank you! Please return to us in the enclosed envelope at your convenience.