

Educational Needs Analysis

For: Bart and Kristin Jones



Presented By: _____

[Licensed user's name appears here]

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A Review of Educational Funds Desired

Year	(1) Terry Jones, Age 13	+	(2) Tracy Jones, Age 11	+	(3) Inflation Adjustment	=	(4) Total Educational Funds Desired
1	0		0		0		0
2	0		0		0		0
3	0		0		0		0
4	0		0		0		0
5	0		0		0		0
6	20,000		0		10,015		30,015
7	20,000		0		12,116		32,116
8	20,000		20,000		28,727		68,727
9	20,000		20,000		33,538		73,538
10	0		20,000		19,343		39,343
11	0		20,000		22,097		42,097
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	80,000		80,000		125,836		285,836

Column (3) reflects an inflation adjustment of 7.00%.

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Calculations

Assumed Tax Bracket 31.00%	Assumed Asset Interest Rate 7.00%	Total Cash Flow Required 285,836	Additional Asset Required 199,731	Inflation Adjustment 7.00%
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Year	(1) Educational Funds Desired	Asset Activity Required		
		(2) Beginning of Year Balance in Additional Asset*	(3) Balance in Additional Asset to Accrue (2) - (1)	(4) Year End After Tax Accrual Value of Add'l Asset
1	0	199,731	199,731	209,378
2	0	209,378	209,378	219,491
3	0	219,491	219,491	230,092
4	0	230,092	230,092	241,206
5	0	241,206	241,206	252,856
6	30,015	252,856	222,841	233,605
7	32,116	233,605	201,489	211,221
8	68,727	211,221	142,493	149,376
9	73,538	149,376	75,838	79,500
10	39,343	79,500	40,157	42,097
11	42,097	42,097	0	0

285,836

This table shows escrow calculations (columns 2, 3, 4) necessary to generate the cash flow shown in column (1).

Calculation formulas are:

Column (3) = column (2) minus column (1)

Column (4) = column (3) plus after tax interest credit

*The source of the beginning balance in this column is either an allocation of current assets or, in the case of survivor planning, the assumed proceeds of a life insurance policy.

The above calculations are based on financial data and assumptions furnished by the client.