

FINANCIAL PLANNING CHALLENGE



PRESENTING ORGANIZATIONS



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Financial Planning Challenge 2025

Phase 1: Written Financial Planning Case Study

In the first phase of the competition, students will analyze a financial planning case study for a hypothetical client. They must assess the client's needs and develop a comprehensive financial plan based on the information provided. The use of commercially available financial planning software is not permitted.

The written plan should include the following:

- A client welcome letter.
- One-page summary outline.
- Assess the client's current financial condition.
- Identify the major Strengths, Weaknesses, Opportunities, and Threats (SWOT).
- Identify and disclose specific assumptions used in analyzing each goal and need.
- Discuss the resolution of any conflicts between the client's goals and needs, and the ability to satisfy them due to financial or other constraints.
- Identify the extent to which other professionals are required to implement any recommendations.
- Note: Teams are encouraged to make assumptions where details are not provided—be creative.

Submission:

- Each team should submit their financial plan as one (1) compiled document in PDF format.
- **Important:** Please DO NOT include your school's name, location, or team member names on any pages of your case submission.
- Submit the online registration form and comprehensive financial plan by midnight on **June 6, 2025**. Case submissions should be uploaded [online](#). If you experience any issues during the upload process, please email a copy of the plan to students@onefpa.org.

Judging:

- A panel of judges representing each presenting organization will review the submissions based on a standardized grading rubric to maintain consistency.
- Please reference the Phase 1 Grading Rubric [online](#).
- Each submission will be assigned a point value based on the quality of their submission. The Phase 1 score accounts for 30% of the total competition score.

PRESENTING ORGANIZATIONS:

AMERIPRISE FINANCIAL, *FOUNDING CORPORATE PARTNER*
CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.
FINANCIAL PLANNING ASSOCIATION



Newlywed Goals for Jamie and Aimee Krag

Meet your new clients, Jamie and Aimee! They got married in Tahoe earlier this year and have many questions for you. This is their first time working with a financial planner. They found you on FPA's PlannerSearch.

Jamie Krag (38) is a software engineer with one of the leading social media companies. He earns a base salary of \$230,000 with a 15% bonus and a 50% RSU. Depending on his team's overall performance and his contribution, his bonus can be more than 15%, but he is confident he will receive at least a 15% bonus every year. His RSU is refreshed every year with a 4-year vesting schedule. This is his 4th year with the company.

Aimee Smith-Krag (35) is a pharmacist working full-time at a regional hospital, earning \$135,000 annually. On weekends, she supplements her income by working at local pharmacies, earning \$65 per hour. She averages 350 hours per year in her weekend role.

They haven't fully combined their finances. Combining their finances before year-end is one of their many goals. They have one joint account, which they're using to pay for their living expenses. Based on a few months of actual living expenses as newlyweds, they expect their all-in annual living expenses to be approximately \$106,000. They prepared a summary of income and expenses for you to review. They each have a credit card, earning travel points. They put most of their living expenses on their cards and paid them off every month. This year will be their first year filing taxes as married couple.

They live in San Mateo, California. They're currently renting an apartment but would like to buy a 3bd/2ba house, preferably in San Mateo County. While Jamie will be okay with a townhouse with a small backyard, Aimee really wants a house. They aren't sure what they can afford, which is one of the reasons they want to meet with a financial planner.

They would like to start a family in 2-3 years. Jamie would like to have one to two kids, but Aimee would prefer at least four. Aimee is a single child and always wanted to have a big family. They would like to contribute to their future children's education to some degree so the children don't have to carry

a large student loan. However, they don't want to sacrifice their retirement over their children's education.

They enjoy visiting different places. They met while traveling in Peru, visiting Machu Picchu. They want to visit a few other places like Patagonia, Nepal, and Maldives before starting a family.

They both ski and would like to have a modest cabin somewhere in Tahoe or Park City. They have set aside \$30,000 for travel and skiing.

Jamie and Aimee hadn't even considered getting a prenup agreement until they were talking with some of their friends about it. The friends said that to be financially responsible, they needed to get a postnup agreement. Jamie and Aimee are interested in learning more about whether that's something they should consider.

Jamie's important values include achievement, adventure, family, harmony, and wealth. Joy, family, meaningful work, unity, and wellness are important to Aimee.

Jamie contributes 8% to his traditional 401k. His company matches up to 50% of the maximum amount allowed to contribute (up to \$11,750 in 2025). The Company also offers the Mega Backdoor Roth option.

Aimee contributes 10% to her Roth 403b, which her hospital matches up to 4%. She also has a traditional 403b from a previous employer with TIAA. She has about \$35,000 in target date funds and another \$10,000 in annuities.

They are both curious about learning more about crypto and feel they are missing out on gains. They have heard that PENGU has done really well and are wondering if they should invest in it or if they should consider getting a BAYC NFT.

Jamie has a brokerage account. Holdings in this account represent vested RSU shares awarded to him from past and current employers. He sold some shares to buy his 2021 Tesla and pay for his trips and his recent Tahoe wedding. From time to time, he uses some of the proceeds to help out her younger sister.

Jamie's company provides excellent benefits. He has 3x salary life insurance and short-term and long-term disability insurance. He also has PPO, dental, and vision coverage. About \$77 per pay period (approximately \$2,000 annually) is deducted from his paycheck for having a PPO plan. His company offers employees a High-Deductible Health Plan at no cost, but he is unsure how it works or if it is a good plan for him.

Aimee has 1x salary life insurance and long-term disability insurance through her hospital. She has HMO, dental, and vision coverage. Her hospital also offers a High-Deductible Health Plan at no cost to employees. Aimee's share of the cost of having a healthcare plan is about \$2,000 a year. Their healthcare cost is included in their budget.

Jamie has a special-needs younger sister, Jeannie, who lives with Jamie's parents. Jamie's parents are healthy. They are teachers and have a modest lifestyle. Jamie thinks they have some retirement savings but is unsure if it will be sufficient enough to support his younger sister in their retirement. Jamie feels he'll likely be financially responsible for her but doesn't know what that would look like. Jamie's family lives in Minnesota, so he's not sure how it would work, but he thinks about it especially when considering retirement.

Aimee's parents are retired corporate accountants and live in Roseville, California. They are in good health and financially independent. Jamie and Aimee would like to retire early and travel the world. They'd like you to help them determine how early they can retire. Is retiring at 55 possible?

Jamie has an advanced dual degree in engineering / MBA. His student loan balance is \$287,000. Amy's student loan from her Pharm D degree is \$180,000. The interest rate for both of their loans is 7%.

They have a 2021 Tesla Model S and a 2024 Subaru Forester. Jamie sold his vested RSU shares to purchase his Tesla. The Subaru was their first big purchase as newlyweds. They used the gifts they received from their family members for their wedding and the proceeds from selling Aimee's 2015 Honda CRV.

After returning from their honeymoon, the first thing they did was update the beneficiary designations on all their accounts. They designated each other as the primary beneficiary and Jeannie, Jamie's younger sister, as the contingent beneficiary.

Net Worth Statement | As of January 19, 2025

ASSETS	Jamie	Aimee	Joint	Total
NON-QUALIFIED ASSETS				
<i>Cash Alternatives</i>				
Aimee's Checking	—	\$2,000	—	\$2,000
Aimee's Savings	—	\$8,000	—	\$8,000
Jamie's Checking	\$2,000	—	—	\$2,000
Jamie's Savings	\$8,000	—	—	\$8,000
Joint Checking	—	—	\$25,000	\$25,000
<i>Taxable Investments</i>				
Jamie's Brokerage (Fully Vested RSUs)	\$366,255	—	—	\$366,255
Total Non-Qualified Assets	\$376,255	\$10,000	\$25,000	\$411,255
RETIREMENT ASSETS				
<i>Qualified Retirement</i>				
Aimee's Roth 403b	—	\$85,860	—	\$85,860
Aimee's TIAA Traditional 403b from Previous Job	—	\$34,960	—	\$34,960
Jamie's Traditional 401k	\$93,900	—	—	\$93,900
<i>Annuities</i>				
Aimee's TIAA Annuity	—	\$10,000	—	\$10,000
Total Retirement Assets	\$93,900	\$130,820	—	\$224,720
Total Liquid Assets	\$470,155	\$140,820	\$25,000	\$635,975
PERSONAL ASSETS				
2021 Tesla Model S	\$35,000	—	—	\$35,000
2024 Subaru Forester	—	—	\$33,000	\$33,000
Total Personal Assets	\$35,000	—	\$33,000	\$68,000
Total Assets	\$505,155	\$140,820	\$58,000	\$703,975

LIABILITIES	Jamie	Aimee	Joint	Total
LONG TERM LIABILITIES				
Aimee's Student Loan	—	(\$180,000)	—	(\$180,000)
Jamie's Student Loan	(\$287,000)	—	—	(\$287,000)
Total Long Term Liabilities	(\$287,000)	(\$180,000)	\$0	(\$467,000)
Total Liabilities	(\$287,000)	(\$180,000)	\$0	(\$467,000)
Total Net Worth	\$218,155	(\$39,180)	\$58,000	\$236,975

Total Net Worth \$236,975

Jamie and Aimee
2025 Projected Annual Cash Flow

INCOME:

Aimee's Salary	\$ 135,000
Aimee's Weekend Job	\$ 22,750
Jamie's Salary	\$ 230,000
Jamie's Bonus	\$ 34,500
	<u>\$ 422,250</u>

EXPENSES:

Rent	\$ 48,000
Renter's insurance	\$ 200
Utilities	\$ 12,000
Groceries	\$ 7,000
Dine out	\$ 4,000
Clothing & Shopping	\$ 5,000
Auto	\$ 5,000
Auto insurance	\$ 5,000
Medical	\$ 5,000
Aimee's long-term disability insurance	\$ 1,000
Household	\$ 3,000
Personal care	\$ 2,400
Travel	\$ 20,000
Ski	\$ 10,000
Gym and yoga studio memberships	\$ 2,400
Entertainment, gifts, subscriptions	\$ 3,000
Charitable donations	\$ 10,000
Misc.	\$ 3,000
Student loan payments	\$ 65,000
Taxes	\$ 135,000
	<u>\$ 346,000</u>

SAVINGS:

Retirement - Jamie's 401k	\$ 18,400
Retirement - Aimee's 403b	\$ 13,500
	<u>\$ 31,900</u>

Cash surplus / (overdraft)	<u><u>\$ 44,350</u></u>
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Holdings Gain/Loss

The Holdings Gain/Loss report provides the basis and gain or loss for your holdings, as well as the total basis and total gain or loss for your holdings as of the last update.

Accounts Included: All Assets

Name	Ticker	CUSIP	Units	Unit Basis	Basis	Price	Market Value	Gain/Loss	% of Portfolio
Aimee's Roth 403b									
Schwab Target 2055 Index Fund	SWYJX	—	4,500.000	\$15.33	\$69,000.00	19.08	\$85,860.00	\$16,860.00	14.78%
Aimee's TIAA Traditional 403b from Previous Job									
Nuveen Lifecycle 2055 Fund;R6	TTRIX	—	2,000.000	\$13.50	\$27,000.00	17.48	\$34,960.00	\$7,960.00	6.02%
Jamie's Brokerage (Fully Vested RSUs)									
Alphabet Inc	GOOGL	—	500.000	\$130.00	\$65,000.00	196.01	\$98,005.00	\$33,005.00	16.87%
Apple Inc	AAPL	—	500.000	\$130.00	\$65,000.00	229.48	\$114,739.95	\$49,739.95	19.75%
Meta Platforms Inc	META	—	250.000	\$320.00	\$80,000.00	614.04	\$153,510.00	\$73,510.00	26.42%
Jamie's Traditional 401k									
Schwab Target 2050 Index Fund	SWYMX	—	5,000.000	\$15.00	\$75,000.00	18.78	\$93,900.00	\$18,900.00	16.16%
Total Holdings	—	—	—	—	\$381,000.00	—	\$580,974.95	\$199,974.95	100.00%

Jamie's RSU Schedule

#	Award Date	Number of Shares		Vesting Schedule	
		Awarded	Vesting Period		
1	1/1/2022	300 shares	4 years	30/30/20/20	Monthly
2	1/1/2023	840 shares	4 years	25/25/25/25	Monthly
3	1/1/2024	315 shares	4 years	25/25/25/25	Monthly
4	1/1/2025	192 shares	4 years	25/25/25/25	Monthly

Vesting Date	Vesting Quantity				Total
	Award 1	Award 2	Award 3	Award 4	
1/25/2022	7.50				7.50
2/25/2022	7.50				7.50
3/25/2022	7.50				7.50
4/25/2022	7.50				7.50
5/25/2022	7.50				7.50
6/25/2022	7.50				7.50
7/25/2022	7.50				7.50
8/25/2022	7.50				7.50
9/25/2022	7.50				7.50
10/25/2022	7.50				7.50
11/25/2022	7.50				7.50
12/25/2022	7.50				7.50
1/25/2023	7.50	17.50			25.00
2/25/2023	7.50	17.50			25.00
3/25/2023	7.50	17.50			25.00
4/25/2023	7.50	17.50			25.00
5/25/2023	7.50	17.50			25.00
6/25/2023	7.50	17.50			25.00
7/25/2023	7.50	17.50			25.00
8/25/2023	7.50	17.50			25.00
9/25/2023	7.50	17.50			25.00
10/25/2023	7.50	17.50			25.00
11/25/2023	7.50	17.50			25.00
12/25/2023	7.50	17.50			25.00
1/25/2024	5	17.50	6.5625		29.06
2/25/2024	5	17.50	6.5625		29.06
3/25/2024	5	17.50	6.5625		29.06
4/25/2024	5	17.50	6.5625		29.06
5/25/2024	5	17.50	6.5625		29.06
6/25/2024	5	17.50	6.5625		29.06
7/25/2024	5	17.50	6.5625		29.06
8/25/2024	5	17.50	6.5625		29.06
9/25/2024	5	17.50	6.5625		29.06
10/25/2024	5	17.50	6.5625		29.06
11/25/2024	5	17.50	6.5625		29.06

Vesting Date	Vesting Quantity				Total
	Award 1	Award 2	Award 3	Award 4	
12/25/2024	5	17.50	6.5625		29.06
1/25/2025	5	17.50	6.5625	4	33.06
2/25/2025	5	17.50	6.5625	4	33.06
3/25/2025	5	17.50	6.5625	4	33.06
4/25/2025	5	17.50	6.5625	4	33.06
5/25/2025	5	17.50	6.5625	4	33.06
6/25/2025	5	17.50	6.5625	4	33.06
7/25/2025	5	17.50	6.5625	4	33.06
8/25/2025	5	17.50	6.5625	4	33.06
9/25/2025	5	17.50	6.5625	4	33.06
10/25/2025	5	17.50	6.5625	4	33.06
11/25/2025	5	17.50	6.5625	4	33.06
12/25/2025	5	17.50	6.5625	4	33.06

Insurance Details | Base Facts

The Insurance Details report lists your insurance policies including life, long term care, disability income, business disability, property/casualty, and medical.

Insurance, Life

Aimee's Life Insurance

Death Benefit: \$135,000	Institution: —	Policy Number: —
Purchase Date: 1/1/2022	Type: Group Life	Insured: Aimee Smith-Krag
Owner: Workplace Group Life Insurance	Premium Payer: Aimee Smith-Krag	Annual Premium: \$0
Premium Term (years): Lifetime	Exclusion Amount: —	Cash Value: \$0 as of 1/19/2025 2:58 PM
Cash Value Growth Rate: No Growth (0.00%)	Proceeds Reinvested: Use Default - Custom (5.00%)	
Primary Beneficiaries		
Jamie Krag (100.00%)		
Contingent Beneficiaries		
Equally to Children (100.00%)		

Jamie's Life Insurance

Death Benefit: \$690,000	Institution: —	Policy Number: —
Purchase Date: 1/1/2022	Type: Group Life	Insured: Jamie Krag
Owner: Workplace Group Life Insurance	Premium Payer: Jamie Krag	Annual Premium: \$0
Premium Term (years): Lifetime	Exclusion Amount: —	Cash Value: \$0 as of 1/19/2025 2:55 PM
Cash Value Growth Rate: No Growth (0.00%)	Proceeds Reinvested: Use Default - Custom (5.00%)	
Primary Beneficiaries		
Aimee Smith-Krag (100.00%)		
Contingent Beneficiaries		
Equally to Children (100.00%)		

Insurance, Disability

Aimee's Long-Term Disability Insurance

Benefit: 60% of Aimee's Salary	Institution: —	Policy Number: —
Purchase Date: 1/1/2025	Policy Type: Group Long Term	Insured: Aimee Smith-Krag
Owner: Aimee Smith-Krag	Premium Payer: Aimee Smith-Krag	Annual Premium: \$1,000
COLA: No Growth (0.00%)	Benefit is Taxable?: No	COLA Type: Compound
Maximum Initial Benefit Cap: —	Maximum Annual Benefit: —	Elimination Period: 90 Days
Benefit Period: Age 65	Own Occupation?: Yes	Simple COLA Base: —

Jamie's Long-Term Disability Insurance

Benefit: 60% of Jamie's Salary	Institution: —	Policy Number: —
Purchase Date: 1/1/2025	Policy Type: Group Long Term	Insured: Jamie Krag
Owner: Jamie Krag	Premium Payer: Employer Paid	Annual Premium: \$0
COLA: No Growth (0.00%)	Benefit is Taxable?: Yes	COLA Type: Compound
Maximum Initial Benefit Cap: —	Maximum Annual Benefit: —	Elimination Period: 90 Days
Benefit Period: Age 65	Own Occupation?: Yes	Simple COLA Base: —

Jamie's Short-Term Disability Insurance

Benefit: 60% of Jamie's Salary	Institution: —	Policy Number: —
Purchase Date: 1/1/2025	Policy Type: Group Short Term	Insured: Jamie Krag
Owner: Jamie Krag	Premium Payer: Employer Paid	Annual Premium: \$0
COLA: No Growth (0.00%)	Benefit is Taxable?: Yes	COLA Type: Compound
Maximum Initial Benefit Cap: —	Maximum Annual Benefit: —	Elimination Period: 30 Days
Benefit Period: Age 65	Own Occupation?: Yes	Simple COLA Base: —

Insurance, Property and Casualty

2021 Tesla Model S Auto Insurance

Insured Asset: 2021 Tesla Model S	Institution Name: —	Collision Coverage: \$300,000
Owner: Jamie and Aimee (Joint/ROS)	Policy Type: Auto	Property Liability Limit: \$100,000
Purchase Date: 1/15/2025	Policy Number: —	Liability Limit Per Person: \$300,000
Renewal Date: 1/15/2026	Premium Term (years): 0	Liability Limit Per Accident: \$500,000
Annual Premium: \$3,000	Comprehensive Deductible: \$1,000	Uninsured Motorist Property Coverage: \$100,000
Indexed At: No Growth (0.00%)	Collision Deductible: \$1,000	Uninsured Motorist Bodily Injury Coverage: \$300,000

2024 Subaru Forester Auto Insurance

Insured Asset: 2024 Subaru Forester	Institution Name: —	Collision Coverage: \$300,000
Owner: Jamie and Aimee (Joint/ROS)	Policy Type: Auto	Property Liability Limit: \$100,000
Purchase Date: 1/15/2025	Policy Number: —	Liability Limit Per Person: \$300,000
Renewal Date: 1/15/2026	Premium Term (years): 0	Liability Limit Per Accident: \$500,000
Annual Premium: \$2,000	Comprehensive Deductible: \$1,000	Uninsured Motorist Property Coverage: \$100,000
Indexed At: No Growth (0.00%)	Collision Deductible: \$1,000	Uninsured Motorist Bodily Injury Coverage: \$300,000

Renter's Insurance

Insured Asset: Apartment in San Mateo, CA	Institution Name: —	Owner: Jamie and Aimee (Joint/ROS)
Policy Type: Rental	Personal Property Coverage: \$50,000	Purchase Date: 1/15/2025
Policy Number: —	Replacement Value: No	Renewal Date: 1/15/2026
Premium Term (years): 0	Annual Premium: \$200	Medical To Others Coverage: \$5,000
Indexed At: No Growth (0.00%)	Personal Property Deductible: \$1,000	Liability Limit: \$300,000