**Savings Plan Assignment**

Personal Finance

1. For each of the following long-term goals, tell me (in a few sentences) what the probabilities are that you will experience each of them and what you envision they will look like when they come (you do not need to share any personal information that you don’t feel comfortable sharing for this assignment).
	1. Retirement
	2. Education of children
	3. Your wedding
	4. Your children’s weddings
	5. A special vacation within the next few years
	6. A vacation home
2. Estimate (in today’s dollars) what each of the above goals will cost. This could be a one-time cost, or a yearly cost. Make whatever assumptions you feel are necessary.
3. Estimate what year(s) each of the above goals will arrive (for example, you might hope to retire in 2060).
4. If inflation averages 2% per year, what will each of the above costs be when they arrive?
* Use Excel to calculate these numbers. Solve for FV. PV is the cost you listed in #1, Rate is 2%, and Nper is the number of years from now that the event will occur.
1. If you average a 7% return on your investments, how much must you save each year for each of the goals in #1? Give me separate answers for each.
* Use Excel to calculate these numbers. Solve for Pmt. Rate 7%, Nper is the number of years from now that the event will occur. FV is the value you calculated in #4 for one-time events. For yearly costs (such as retirement), FV needs to be the present value of the annual costs as of the start of those annual costs.
1. If you wait 10 years to begin saving for your retirement, how much more will you need to save each year than you would have to save if you began today?