

VeriPlan's 10 Financial Planning Tools and Financial Calculators

Category : About VeriPlan -- Personal Finance Software for Your Lifetime

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Overview: The VeriPlan personal finance software gives you significant personal insight into your most important financial planning and investment portfolio management decisions. Through comprehensive and customized lifetime projections, VeriPlan's financial calculators and investment calculators model your particular financial planning across your adult lifecycle. VeriPlan projects fully integrated scenarios about your income, expenses, debts, assets, investment returns, and investment costs within the context of the U.S. federal taxes, state taxes, and local taxes that apply to you. VeriPlan presents all your personal lifecycle projection information in clear graphics and data tables. You can easily customize any of your personal data and settings in VeriPlan. After you make any modification, VeriPlan will revise your complete projection automatically and instantaneously. Using VeriPlan's rich set of 10 fully integrated "what if" financial planning tools and financial calculators, you can take greater control of your own financial planning and personal investment decision-making.

For additional information, see the two-page [VeriPlan Executive Summary](#) or the eight-page [VeriPlan Product Overview](#). These documents are available for download at: <http://www.theskilledinvestor.com>

Asset Allocation and Rebalancing Tool: Your asset allocation strategy allows you to align the risk of your investment portfolio with your relative risk tolerance. VeriPlan provides five user selectable and adjustable asset allocation methods for your lifecycle projections. Fixed, variable, and age-based asset allocation mechanisms are provided. Reallocations are performed automatically at the beginning of all subsequent projection years.

Investment Cost Effectiveness Tool: Excessive investment costs are a huge problem for the average individual investor. VeriPlan's projections automatically analyze the impact of five types of investment expenses across your lifecycle: 1) purchase fees and loads, 2) management expenses, 3) marketing fees, 4) trading costs, and 5) investment portfolio custody fees. VeriPlan fully automates the comparison of your lifecycle investment portfolio costs. VeriPlan's automated investment calculators allow you to compare the lifetime investment costs of your current investment portfolio with investment costs that you believe are reasonable to pay.

Expense Budgeting and Savings Calculator: VeriPlan's expense budgeting and savings calculator tool allows you to change your current expense levels and future expense growth rates. It also allows you to enter major planned expenses and their growth rates for any future years. You can also enter positive and negative expense budget adjustments and growth rates for any projection year. This savings calculator tool explains how VeriPlan can be used as a Children's Education Expenditure Planning Tool. It also has a section on how to use VeriPlan as a Mid-Career Education Planning Tool to model tradeoffs associated with returning to school for career advancement.

Future Debt Calculator: Excess consumption and the attendant costs of debt can be very destructive. This tool allows you to set an interest rate for future unfunded consumption debt. VeriPlan automatically accumulates an unfunded debt with unpaid interest, when your projected expenses exceed your projected income and when your cash, bond / fixed income, and stock / equity portfolio assets are projected to be depleted fully. If subsequent positive net income becomes available, VeriPlan will automatically pay off some or all of this unfunded consumption debt. Regarding any current debts that you have, VeriPlan automatically repays interest and principal required. You can use VeriPlan's debt management calculator facilities to analyze and plan the accelerated repayment of any or all of your loans.

Historical Asset Class Investment Returns: VeriPlan's automated "centerline" projections are based on the very long-term, historical securities market rates of investment returns that have been achieved in the cash, bond / fixed income, and stock / equity investment asset classes over approximately the past 75 years. You can adjust these projected rates of return, using VeriPlan's Portfolio Risk Tool. VeriPlan's projections automatically deduct your taxes and investment costs from your investment returns. Furthermore, across your lifecycle, VeriPlan will automatically project the value of your real estate, property, and other assets, which are not priced currently on real-time securities markets. VeriPlan will use fair market value and future growth rate estimates that you provide for these real estate, property, and other assets.

Home Purchase Calculator Tool: VeriPlan provides this calculator tool for users who plan to purchase 1 to 3 homes in the future. For future home purchases, this home purchase calculator automatically takes into account: a) the planned purchase price, b) closing costs, c) settlement cash required, d) mortgage debt to be assumed, e) expected interim and subsequent price changes or appreciation.

Investment Portfolio Risk Tool: VeriPlan provides two combinable methods to develop projections using asset class return assumptions that differ positively and/or negatively from VeriPlan's "centerline" historical investment returns assumptions:
->The Projection Variance Tool allows you to vary asset class investment returns upward or downward automatically in proportion to their historical volatility or investment risk. ->The Asset Class Return Adjuster allows you to vary rates of financial investment returns automatically on a one-by-one basis. VeriPlan also provides a Current Portfolio Revaluation Tool to help users understand the potential effects of substantial changes in near-term securities market values.

Investment Portfolio Safety Tool: Individual investors face a dilemma. Both less risky and more risky investment strategies may not achieve desired results for different reasons. When assessing investment strategies with different risk levels, it can be helpful to understand how the "safer" portion of your portfolio assets might evolve across your lifecycle. VeriPlan's Portfolio Safety Tool automatically projects how long your cash and shorter-term fixed income assets would cover your projected expenses, if all your expected income sources ceased at any point. This tool automatically measures your projected financial capacity to weather future financial risks that might materialize.

Retirement Calculator Tool: With this retirement calculator tool, you can set individual retirement ages for Earners 1 and 2. You can select whether or not to retire simultaneously. You can also adjust your expected ordinary living expense budget in retirement and the growth rate of those living expenses. Concerning Social Security retirement payments, you can set current levels of your entitlements and adjust the age at which you would first begin to receive Social Security payments. Furthermore, you can scale back the amount of your projected Social Security payments, if you wish.

Finally, because much older workers can face significant erosion of real dollar wage rates, you can adjust VeriPlan's assumptions about real dollar wage erosion for earnings at ages over 65.

Tax-Advantaged Retirement Plan Tool: VeriPlan has automated your lifecycle projections regarding the various employer retirement plans and personal IRA, 401k, and other retirement accounts that allow you to defer taxation or to avoid future taxation altogether. VeriPlan automatically projects separate values for your taxable accounts, traditional IRA and 401k accounts, and Roth IRA and 401k accounts. Regarding traditional IRA accounts and Roth IRA accounts, VeriPlan has fully automated the projection of your lifecycle IRA contributions, deductions, asset growth, withdrawals, and taxation. When necessary, VeriPlan's financial calculators automatically assess federal early withdrawal penalties that are supplied and a state penalty that you provide.

Your settings on this retirement calculator tool will control your projected lifetime tax-advantaged retirement plan contributions that would be funded from your future positive net income and/or from your future taxable financial assets, up to the current legal annual limits. This tool allows you to determine the portion of your projected annual contributions that would be deposited automatically into either traditional accounts or Roth accounts. ->The Total Contribution Limitation Tool allows you to set your personal limitation on overall tax-advantaged account deposits, as a percent of your future annual positive net cash flows. ->The Roth Contribution Limitation Tool allows you to set the percentage that Roth 'never-taxed' contributions would be of your total annual contributions into both traditional 'tax-deferred' and Roth 'never-taxed' accounts.