

Emergency Fund

Value: 35 Points

Metrics Needed

- ✓ Amount of Money in Emergency Savings
- ✓ Monthly Expenses

Formula

EF Score = Emergency Savings / Monthly Expenses

Scoring

- ✓ 6 months = 35 points
- ✓ 5 months = 29 points
- ✓ 4 months = 23 points
- ✓ 3 months = 18 points
- ✓ 2 months = 12 points
- ✓ 1 month = 6 points

Current Ratio

Value: 35 Points

Metrics Needed

- ✓ Net Worth
- ✓ Total Debt

Formula

$\text{Current Ratio} = \text{Net Worth} / \text{Debt}$

Scoring

- ✓ $2+ = 35 \text{ Points}$
- ✓ $<2 = (\text{Current Ratio}/2)*35 \text{ Points}$

Net Worth

Value: 20 Points

Metrics Needed

- ✓ Net Worth
- ✓ Age
- ✓ Current Annual Income Before Taxes

Formula

Target Net Worth = $(\text{Age} * \text{IBT}) / 10$

Scoring

- ✓ If Target Net Worth \leq Actual Net Worth: 20 Points
- ✓ If TNW $>$ Actual Net Worth:
 $(\text{ANW} / \text{TNW}) * 20$ Points

Retirement Preparedness Score

Value: 10 Points

Metrics Needed

- ✓ Current Retirement Balance
- ✓ Expected Annual Growth Rate
- ✓ Target Retirement Value

Formula

$$\text{Future Value} = \text{Retirement Balance} * (1 + \text{Growth Rate}) ^ 10$$

Scoring

- ✓ If Target Value \leq Future Value: 10 Points
- ✓ If Target Value $>$ Future Value: $(\text{FV}/\text{TV}) * 10$ Points