

 **ADVANTAGE**
Personal Financial Planner

Developed by
SHL KEE Systems

WRITING SAMPLE ONLY - DO NOT SHARE

Investors Group Advantage

Personal Financial Planner Training

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How to Use This Learning Guide

This Learning Guide is designed to act both as a classroom workbook during your training and as a valuable reference resource for you to use in your workplace. An Index and Glossary are included to help familiarize you with Personal Financial Planner.

Your instructor will lead you through each of the sections and accompanying exercises and provide ample time for questions and practice. The objectives listed at the beginning of each section provide guideposts for the important concepts or skills introduced in that section. This objective-oriented approach tells you at the outset exactly what skill is to be learned and what procedure you will employ to demonstrate your mastery of that skill.

Learning Guide exercises are designed to describe the action you are to perform, and then give step-by-step instructions on how to perform it. This guide uses the following conventions.

Words that you are to type are indicated in bold:

Type **Now** is the time for

Type this text into the computer.

Keystrokes are indicated in bold small caps:

Press **ENTER**

*Press the **ENTER** key on your keyboard.*

Sometimes you will need to press two or more keys at the same time:

Press **CTRL+HOME**

*Press and hold the **CTRL** key, press the **HOME** key, and then release both.*

Section

1

Personal Financial Planner Basics

- Getting Started with PFP
- Working with the Regular Investments Concept (DA Projections)
- Working with Other Concepts
- Using Other PFP Features

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Section Skills and Their Importance

In the following section you will learn to:

■ Get started with PFP

Once PFP is loaded, you will identify the parts of the PFP screen and learn the basic tools necessary to navigate in PFP.

■ Work with the Regular Investments Concept

(DA projections)

A Concept is a tool that helps you to prepare simple and powerful projections. Family data, such as the data from a PFR, is not necessary to display a Concept. This tool answers specific questions based on the information you enter. In the context of working with a Concept, you will strengthen your navigational skills. The Regular Investments Concept illustrates the benefits of dollar cost averaging.

■ Work with other Concepts

Concepts are powerful, easy-to-use tools. You will work your way through several other Concepts, including the Maximum Payout from LIF and Major Purchase Goal Concepts.

■ Use other PFP features

The Help system provides online guidance for your questions. Context-sensitive Help provides assistance for the topic at hand, while Help's How To feature lets you choose from an alphabetical list of Help topics. Lastly, you will exit PFP.

Getting Started with PFP

The *Personal Financial Planner (PFP)* is a financial planning tool that allows the planner to analyze a client's current status, then demonstrate and evaluate strategies that maximize the client's financial situation. PFP is an extremely powerful tool when used in conjunction with accepted financial planning practices. A planner may enter client data and prepare different scenarios with different strategies at the office, with a presentation to the client at a later date.

Defining the Objectives and Uses of PFP

PFP uses easy-to-follow terminology so you can quickly grasp the fundamentals of the software. A *situation* is a collection of a family's financial data for a specific year. PFP leads you along a clearly defined path of data entry, and having a PFR on hand makes the data entry process quick and easy.

A *family* in PFP is a collection of family members and their situations. PFP makes projections based on this data and situation, which you can then analyze using any of the various *Strategies* included in PFP. These Strategies include such fundamentals as using the maximum allowable RRSP deduction or reducing debt.

An even simpler introduction to PFP involves the use of *Concepts*, which illustrate some of the most common client questions, such as "How much do I need to save annually, and for how long, to be able to send my child to a college costing \$20,000 per year?" Because PFP was built with the assistance of financial planning experts, you can answer this question quickly and easily by using Concepts. With little practice, financial planners can confidently illustrate Concepts in front of clients.

Loading PFP

You load PFP from within IG Advantage.

METHOD

To load the Personal Financial Planner:

1. Make sure the IG Advantage window is visible.
2. On the toolbar, click the Planning icon.
3. On the toolbar, click the PFP button.

EXERCISE

In the following exercise, you will load Personal Financial Planner.

1. Make sure the IG Advantage window is visible
 2. On the toolbar, click the Planning icon
 3. On the toolbar, click the PFP button
- Two financial planning buttons appear on the toolbar.*
- PFP loads.*

END

Identifying Elements of the PFP Screen

When you start PFP, the program's desktop window appears. Its design is similar to many other Windows 95 applications. Figure 1-1 displays the elements of the PFP screen. Table 1-1 describes the purpose of those elements.

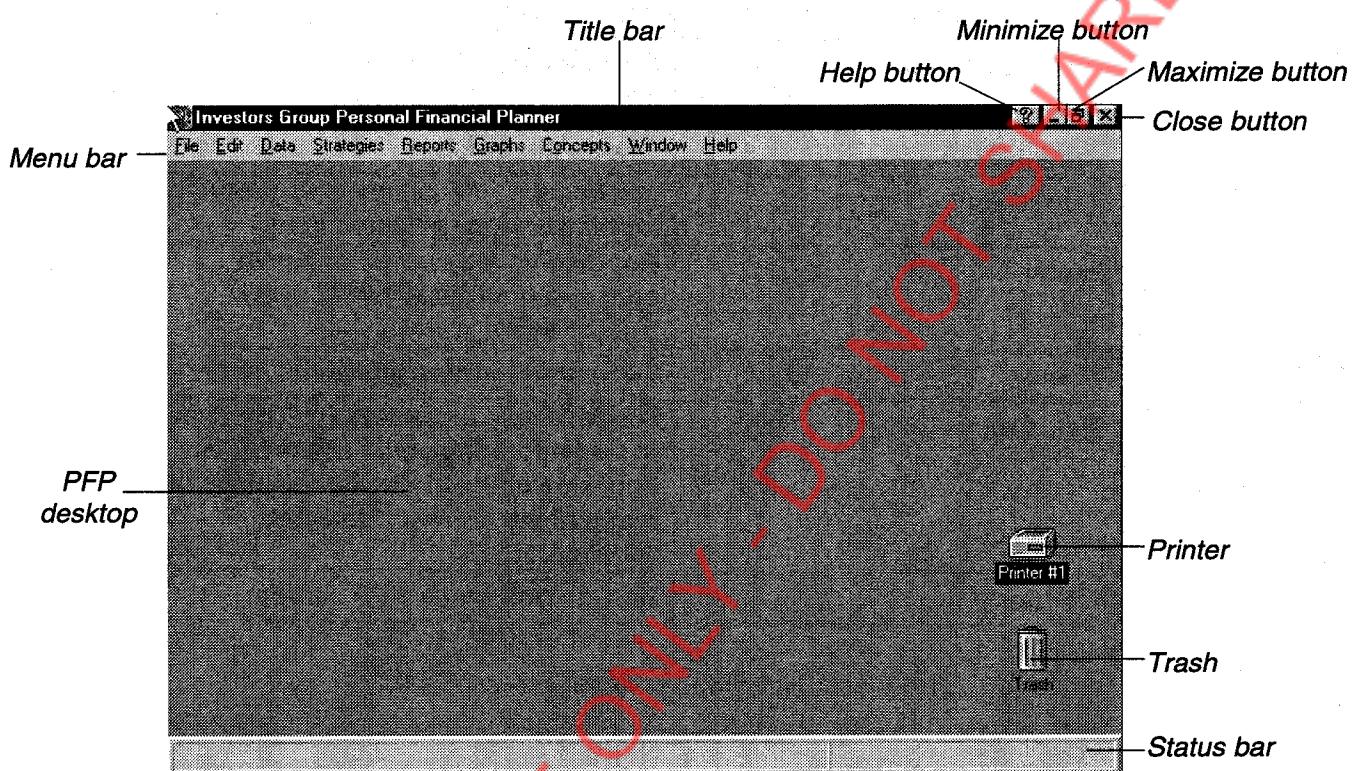


Figure 1-1: Elements of the PFP Screen

Screen Element	Description
Title bar	Contains the name of the current Windows application.
Menu bar	Contains all of the PFP menus.
Minimize button	Reduces the program to an icon on the taskbar, or reduces a window within the program to an icon.
Maximize button	Enlarges the window to its maximum size.
Close button	Closes the program.
Help button	Invokes the PFP online Help program for the currently selected item.
Printer	Represents the current or active printer (as indicated by the green "ready" light).
Trash	Temporarily stores unwanted items.
Status bar	Displays messages that PFP produces while performing various tasks. The right side of the status bar displays the name of the currently selected situation.
PFP desktop	Background of the PFP screen.

Table 1-1: The Purpose of the Screen Elements

Navigating in PFP

Before working with the main features of PFP, you need to know how to navigate in PFP. Basic Windows navigating skills such as accessing a submenu, accessing a shortcut menu, and working with a dialog box are crucial.

In dialog boxes, you have several options from which to choose. Most PFP dialog boxes contain Cancel and OK buttons. The Cancel button cancels the task, while the OK button completes the task, often displaying the task's calculations in another window. When you finish entering all the information in the dialog box, you choose OK or you press **ENTER**, which closes the dialog box and saves the information. If you press **ENTER** before you finish filling in the fields, you must reopen the dialog box.

To move from one data entry field to the next in a dialog box, press **TAB**. Once you have entered data in a field, you can either press **TAB** or click the next field. However, pressing **TAB** ensures that you do not skip a field. Dialog boxes may also contain list boxes, where you make selections from drop-down lists.

METHOD

To select an item from a submenu:

1. From the desired menu, choose the desired command.
2. From the submenu, choose the desired command.
3. Repeat step 2 as necessary.

To display a shortcut menu for an icon:

1. Position the mouse pointer over the desired item.
2. Right-click the mouse.

To move through a dialog box:

1. Press **TAB** to move forward.
or
1. Press **SHIFT+TAB** to move backward.

To cancel the data entered in a dialog box:

1. Click the Cancel button.
or
1. Click the Close button.

EXERCISE

In the following exercise, you will display a shortcut menu, access a submenu item, move through a dialog box, and finally, exit a dialog box.

1. Right-click the Printer icon *A shortcut menu for the Printer appears.*
2. Click anywhere on the desktop outside of the shortcut menu *The shortcut menu disappears.*
3. From the Concepts menu, choose Goals *The Goals submenu appears.*
4. From the Goals submenu, choose Retirement *The Retirement submenu appears.*
5. From the Retirement submenu, choose Periodic *The Periodic Retirement Goal Concept dialog box appears. The insertion point is in the first text box. Data in a text box that contains the insertion point is highlighted.*
6. Press TAB *The insertion point moves to the next text box.*
7. Press TAB *The next field, a check box, has a dotted rectangle around its label. The rectangle indicates it is the active field.*
8. Press TAB repeatedly until the Return Rate text box is highlighted again *The insertion point moves from field to field including the Cancel and OK buttons.*
9. Click the Cancel button *The dialog box closes.*

END

Working with the Regular Investments Concept (DA Projections)

One of the most powerful tools of PFP is the Concept. Concepts are menu items that let you create projections that illustrate common financial planning concepts and ideas. Since a Concept is not related to specific family information, Concepts can be quickly used at any time.

The Regular Investments Concept is the tool you use to show how systematic savings of specific amounts over time can produce a sizable asset, or more simply, a DA projection. This is a rather simple calculation, yet it is a common client question. For example, with this Concept, you can show a 25-year-old prospect how an initial investment of \$500, and monthly deposits of \$50, will grow in value over 15 years, assuming a return rate of 8 percent. The rate of return used in this example is an average rate of return that may be expected over the long term.

Creating the Regular Investments Concept

To work with a Concept, you first need to create it. This process involves accessing the desired Concept, and then entering the data in the dialog box. The Regular Investments Concept dialog box, shown in Figure 1-2, contains text boxes and drop-down list boxes. Once you've entered the data, choosing OK displays the Regular Investments report, shown in Figure 1-3, which displays the Concept calculations in table form. If you want to change one or more variables in the data to show the client alternate outcomes, PFP allows you to access the Regular Investments Concept dialog box by clicking the Re-edit Data button.

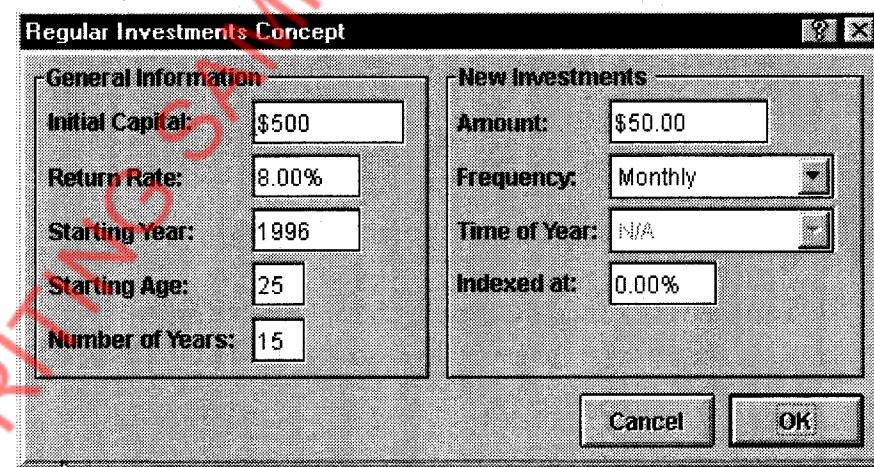
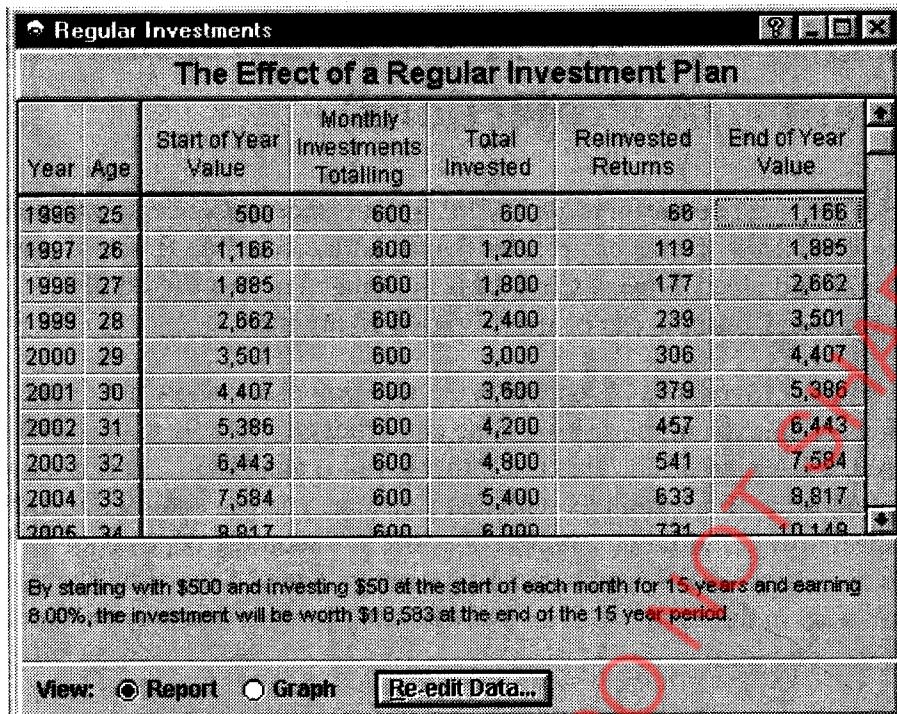


Figure 1-2: The Regular Investments Concept Dialog Box

**Figure 1-3: The Regular Investments Report****METHOD**

To use the Regular Investments Concept for DA projections:

1. From the Concepts menu, choose Investments.
2. From the Investments submenu, choose Regular.
3. In the Regular Investments Concept dialog box, in the text boxes, type the data, pressing TAB after each entry.
4. In the Frequency list box, select Annual or Monthly.
5. If Annual is selected, then in the Time of Year list box, make a selection.
6. Choose OK.

To edit data in the Regular Investments Concept:

1. At the bottom of the report, choose Re-edit Data.
2. In the Regular Investments Concept dialog box, make the desired changes.
3. Choose OK.

EXERCISE

In the following exercise, you will use the Regular Investments Concept.

1. From the Concepts menu, choose Investments
The Investments submenu appears.
2. Choose Regular Investments
The Regular Investments Concept dialog box appears.
3. In the General Information area, in the Initial Capital text box, type **500**
4. Press TAB
The insertion point moves to the Return Rate text box.
5. Type **8**
6. Press TAB
The insertion point moves to the Starting Year text box.
7. Enter the remaining data as it appears in Figure 1-2
8. Choose OK
The Regular Investments report appears.
9. Choose Re-edit Data
The Regular Investments Concept dialog box appears with the insertion point, by default, in the first text box.
10. In the Initial Capital text box, type **1000**
The Regular Investments report appears with the change in the values in the report.
11. Choose OK
12. Edit the data again to make the initial capital \$500

END

Displaying and Modifying the Regular Investments Graph

The Regular Investments graph, shown in Figure 1-4, displays the data from the Regular Investments report graphically. Simply click the Graph radio button at the bottom of the report window to display the graph. If you need to view the report again, just click the Report radio button at the bottom of the graph.

PPF allows you to change such graph features as perspective, type, view, and color. The graph contains a legend that indicates what data is being graphed. The actual graph is comprised of data series, which is the yearly data for the time period listed along the axis below the graph. Clicking any of the data series on the graph reveals a balloon label that displays the value of that data series for that particular year. Whenever you enter or edit data, the default graph appears.

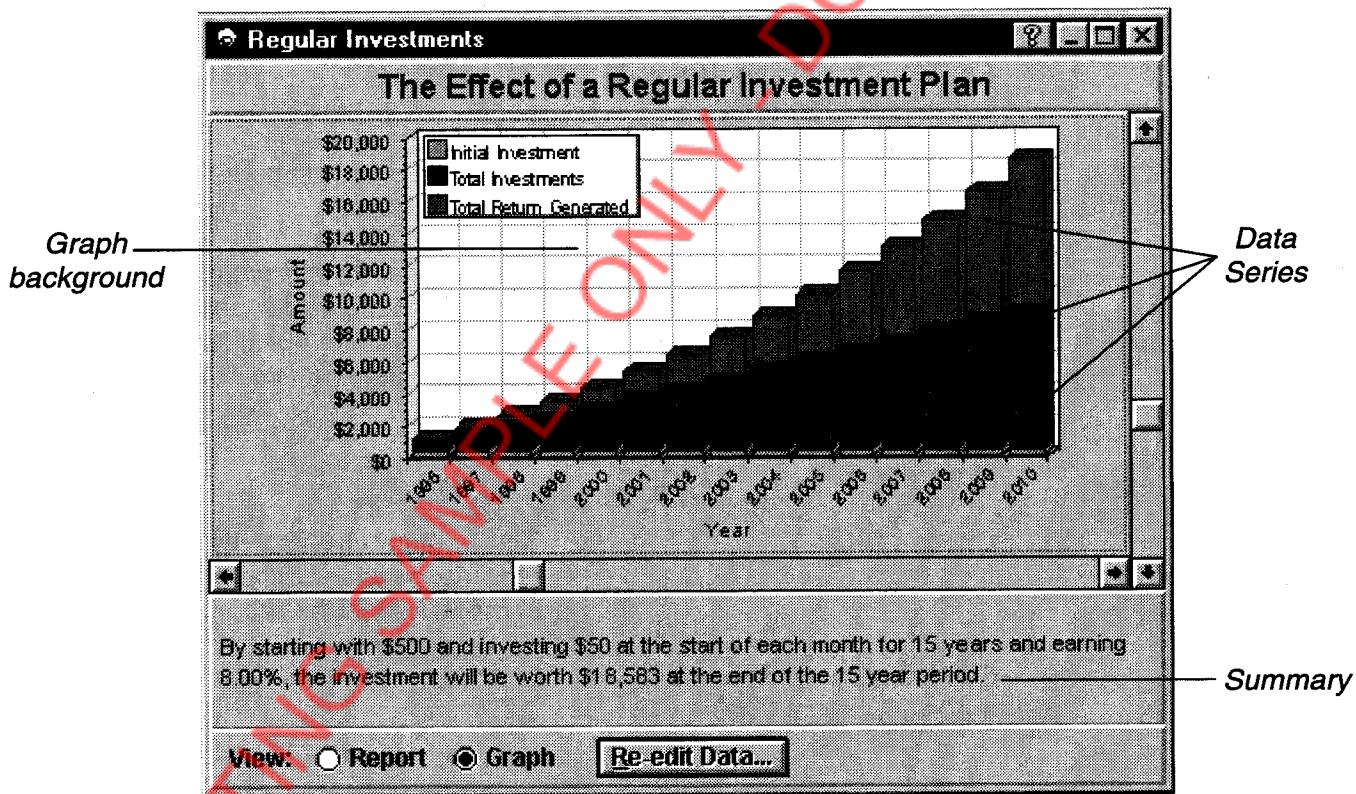


Figure 1-4: The Regular Investments Graph

METHOD

To view a Concept graph:

1. At the bottom of the report, select the Graph radio button.

To change the perspective of a Concept graph:

1. Drag the horizontal or vertical scroll box to the desired location.

To display the balloon label in a Concept graph:

1. Click the desired data series.
or
1. Press **LEFT ARROW** and **RIGHT ARROW** to move to an adjacent year.
or
1. Press **UP ARROW** and **DOWN ARROW** to move to an adjacent data series.

To display the shortcut menu for the entire Concept graph or a data series:

1. Right-click the graph background or the desired data series.

To change the type or view of the entire Concept graph:

1. Right-click the graph background.
2. From the shortcut menu, choose Type or View.
3. From the Type or View submenu, choose an option.

To change the type, color, pattern, polymarker, or line for a data series:

1. Right-click the desired data series.
2. From the shortcut menu, choose Type, Color, Pattern, Polymarker, or Line.
3. From the submenu, make a selection.

EXERCISE

In the following exercise, you will display the Regular Investments Concept graph. You will then modify the appearance of the graph.

1. At the bottom of the report, select the Graph radio button
The Regular Investments graph appears.
2. Drag the horizontal scroll box all the way to the left
The perspective of the graph changes.
3. Drag the vertical scroll box all the way to the bottom
The perspective of the graph changes.
4. Above the year 2000, click the red data series
The Total Return Generated balloon label for 2000 appears.
5. Press **DOWN ARROW**
The Total Investments balloon label for 2000 appears.
6. Press **RIGHT ARROW**
The Total Investments balloon label for 2001 appears.
7. Right-click the graph background
The Graph shortcut menu appears.
8. Choose Type
The Type submenu appears.
9. Choose Stacked Area
The graph changes to a stacked area graph.
10. Right-click the Total Return Generated (red) data series
The Total Return Generated shortcut menu appears.
11. Choose Color
A color palette appears.
12. Select the last color in the first row
The color of the Total Return Generated data series is now purple.
13. Choose Re-edit Data
The Regular Investments dialog box appears.
14. Choose OK
The graph returns to its default display.

END

Maximizing, Minimizing, and Opening a Concept

If a Concept report or graph is too small, you can maximize its window. For a report, maximizing may eliminate the need to scroll to different parts of the window to see the desired data. For a graph, maximizing presents a wider graph, which offers a different perspective. You may also want to minimize the Concept, so you can more easily work with other screen elements. Minimizing a Concept displays it on the desktop as a light bulb icon, as shown in Figure 1-5. To open a minimized Concept, double-click its icon. When you open a minimized Concept, any changes you made to the graph are retained.



Figure 1-5: The Regular Investments Icon

METHOD

To maximize or minimize a Concept:

1. Click the Maximize or Minimize button.

To open an existing Concept:

1. Double-click the Concept icon.

EXERCISE

In the following exercise, you will maximize, minimize, and open a Concept.

1. Click the Maximize button
2. Click the Minimize button
3. Double-click the Regular Investments icon

The Concept is maximized.

The Concept is reduced to an icon on the desktop.

The Regular Investment graph appears.

END

Printing a Concept

Most clients would like to keep a printout of your analysis. You print a Concept in PFP by dragging the Concept icon to the Printer icon, which displays a green light to indicate when the Concept icon is in the correct position. The Printer dialog box, as shown in Figure 1-6, appears when you activate the print function. You can also preview the output before printing.

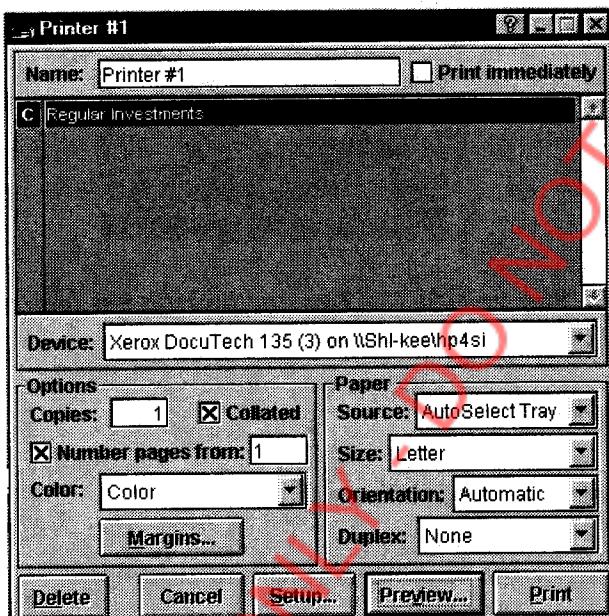


Figure 1-6: The Printer Dialog Box

METHOD

To print a Concept:

1. If necessary, minimize the Concept.
2. Drag the Concept icon to the printer icon and hold it there until a green light appears.
3. In the Printer dialog box, choose Print.

To preview a Concept printout:

1. Open the Printer dialog box for the Concept.
2. Choose Preview.

Note: You can also print from the Print Preview dialog box.

EXERCISE

In the following exercise, you will preview and then print a Concept.

1. Minimize the Regular Investments Concept
The Regular Investments Concept becomes an icon.
2. Drag the Regular Investments icon to the Printer icon and hold it there until a green light appears
The Printer dialog box appears.
3. Choose Preview
The Print Preview dialog box appears, displaying both the items in the Printer dialog box as well as a preview of the Concept printout.
4. Choose Print
The Concept is printed, and the Printer dialog box appears.
5. Choose Cancel
The Printer dialog box closes.

END

Working with Other Concepts

In addition to the Regular Investments Concept, PFP offers many other Concepts that answer common client questions. The following Concepts represent an overview of what is available.

Working with the Payout Duration VIP Concept

Clients may want to know how long it would take to deplete an asset if specific amounts are paid out at specific intervals. For example, suppose a 60-year-old client has \$100,000 in his Mortgage Fund account. If he withdraws \$10,000 per year from this account, with the payments increasing by 2 percent per year, how long will it be before the account is depleted? Assume that the client's average tax rate is 25 percent, and the investments will earn 9 percent per year. You can quickly determine the answer with the Payout Duration (from Investment) Concept dialog, shown in Figure 1-7, which appears when you create the Payout Duration VIP Concept. If necessary, in the Indexed at text box, you can enter 0 to demonstrate a flat, after-tax amount per year to be paid out.

If you prefer to show an alternate scenario, you can use the Indexed Payout (from Investment) Concept, which illustrates how much money can be withdrawn from an account per year in order to have the money last for a set period of time.

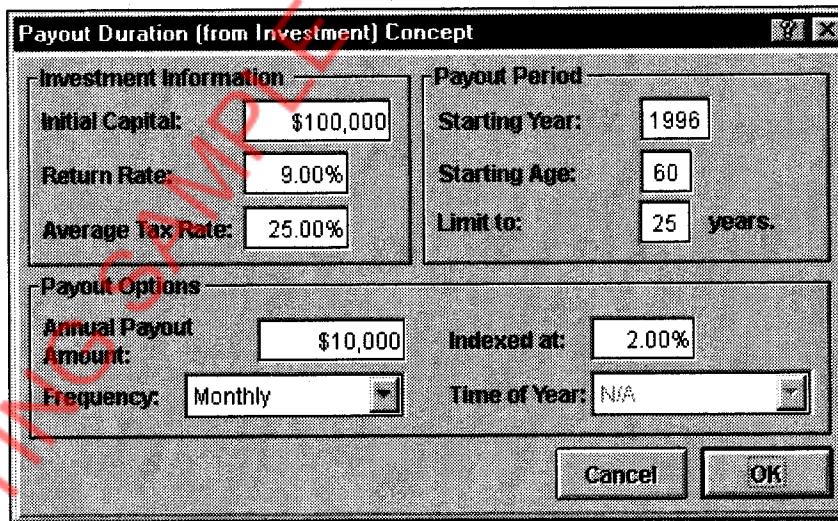


Figure 1-7: The Payout Duration (from Investment) Dialog Box

METHOD

To use the Payout Duration VIP Concept:

1. From the Concepts menu, choose Investments.
2. From the Investments submenu, choose Payout Duration (V.I.P.).
3. In the text boxes, enter the data.
4. In the Frequency list box, select Annual or Monthly.
5. If Annual is selected, then in the Time of Year list box, select an option.
6. Choose OK.

EXERCISE

In the following exercise, you will use the Payout Duration VIP Concept.

1. From the Concepts menu, choose Investments
The Investments submenu appears.
2. Choose Payout Duration (V.I.P.)
The Payout Duration (from Investment) Concept dialog box appears.
3. Enter the data as shown in Figure 1-7, pressing TAB to move through the dialog box
4. Choose OK
The Payout Duration (from Investment) report appears.
5. Review the report table and summary
The account will be depleted when the client is 73 years old.
6. Choose Re-edit Data
The Payout Duration (from Investment) Concept dialog box appears.
7. In the Annual Payout Amount text box, type **7500**, and then choose OK
The Payout Duration (from Investment) Concept dialog box disappears.
8. Review the report table and summary
The account will be depleted when the client is 80 years old.
9. Minimize the Concept

END

Working with the Minimum Payout from RRIF Concept

When an RRSP is converted to an RRIF, a client may prefer to take the minimum amount possible as an annual withdrawal as provided under the Income Tax Act. Using the Minimum Payout from RRIF Concept, you can show the client a detailed report or graph displaying the minimum RRIF withdrawals required each year. Figure 1-8 shows the Minimum Payout (from RRIF) Concept dialog box, where you enter data.

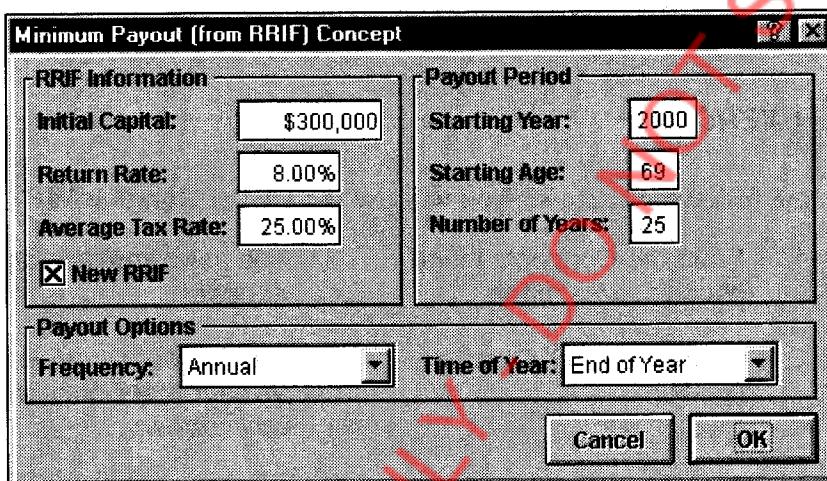


Figure 1-8: The Minimum Payout (from RRIF) Concept Dialog Box

METHOD

To use the Minimum Payout from RRIF Concept:

1. From the Concepts menu, choose RRIFs.
2. From the RRIFs submenu, choose Minimum Payout.
3. In the text boxes, enter the data.
4. If necessary, select the New RRIF check box.
5. In the Frequency list box, select Annual or Monthly.
6. If Annual is selected, then in the Time of Year list box, select an option.
7. Choose OK.

EXERCISE

In the following exercise, you will use the Minimum Payout from RRIF Concept.

1. From the Concepts menu, choose RRIFs
The RRIFs submenu appears.
2. Choose Minimum Payout
The Minimum Payout (from RRIF) Concept dialog box appears.
3. Enter the data as shown in Figure 1-8, pressing TAB to move through the dialog box
4. Choose OK
The Minimum Payout (from RRIF) report appears.
5. Review the report table and summary
After 25 years, the RRIF account is still worth more than \$214,000.
6. Minimize the Concept
The Concept is reduced to an icon.

END

Working with the Maximum Payout from LIF Concept

The Maximum Payout from LIF Concept lets you show a client the maximum amount permitted to be withdrawn from an LIF. For example, a client who has a Locked-in Retirement Account worth \$50,000 has reached age 55 and wants to know whether to buy a life annuity with the LIRA assets or set up an LIF. You mention to the client that there are minimum and maximum amounts permitted to be received from the LIF. In this case, the client wants to know the maximum amount permitted to be received. You can estimate the maximum amount using the Maximum Payout from LIF Concept. All data is entered in the Maximum Payout (from LIF) Concept dialog box, shown in Figure 1-9. The rate you enter in the Interest Rate (determines maximum payout) text box is based on government bond rates and changes periodically.

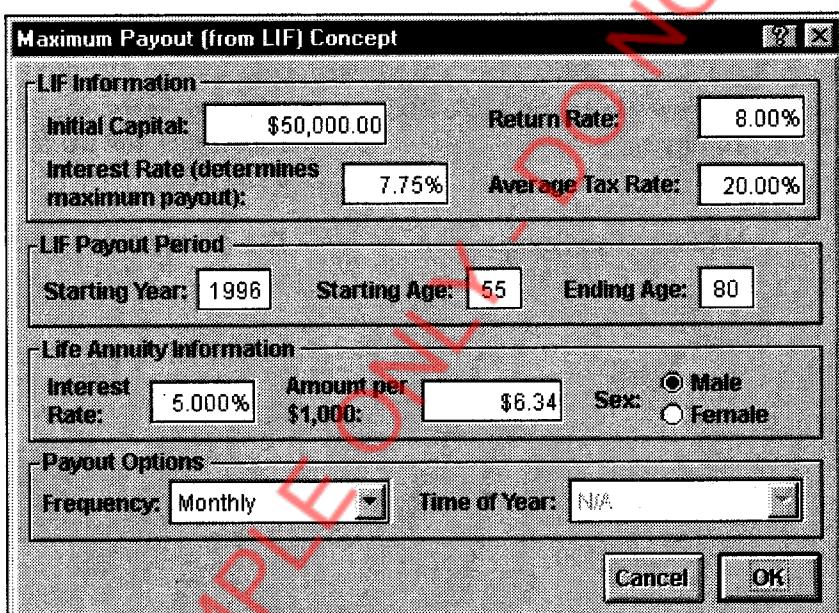


Figure 1-9: The Maximum Payout (from LIF) Concept Dialog Box

METHOD

To use the Maximum Payout from LIF Concept:

1. From the Concepts menu, choose LIFs.
2. From the LIFs submenu, choose Maximum Payout.
3. In the text boxes, enter the data.
4. In the Frequency list box, select Annual or Monthly.
5. If Annual is selected, then in the Time of Year list box, select an option.
6. Choose OK.

EXERCISE

In the following exercise, you will use the Maximum Payout from LIF Concept.

1. From the Concepts menu, choose LIFs
2. Choose Maximum Payout
3. Enter the data as shown in Figure 1-9, pressing TAB to move through the dialog box

Do not enter any data in the Amount per \$1,000 field, as the amount will be calculated when the Monthly option is selected in the Frequency list box
4. Choose OK
5. Review the report table and summary
6. Minimize the Concept

The LIFs submenu appears.

The Maximum Payout (from LIF) Concept dialog box appears.

The Maximum Payout (from LIF) report appears.

After the annual LIF payouts, the value of the LIF at age 80 is \$31,547.

The Concept is reduced to an icon.

END

Working with the Major Purchase Goal Concept

In addition to the many questions regarding what to do with investments, LIFs, RRIFs, and so on, many people have financial goals. PFP's Concepts menu offers solutions for such goals as retirement, education, and major purchases. For a major purchase, you can illustrate a scenario using the Major Purchase Goal Concept dialog box, shown in Figure 1-10.

For example, a couple retiring in 7 years wants to buy a mobile home, which today costs \$60,000. They have \$20,000 in an open Money Market account (6 percent average return), and they want to know how much to add to this account each month to have enough money to purchase the mobile home. Assume their average tax rate is 25 percent and the price of the mobile home will increase by an average of 2 percent per year.

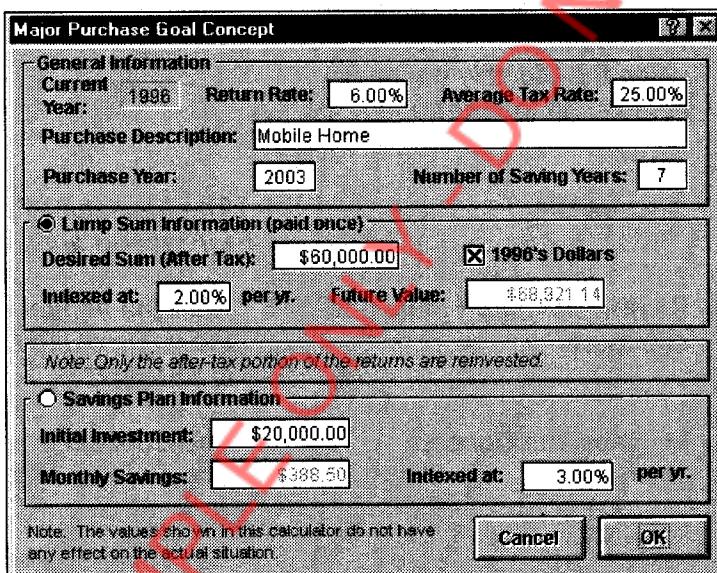


Figure 1-10: The Major Purchase Goal Concept Dialog Box

METHOD

To use the Major Purchase Goal Concept:

1. From the Concepts menu, choose Goals.
2. From the Goals submenu, choose Major Purchase.
3. In the text boxes, enter the data.
4. Under Lump Sum Information, if desired, click the 1996's Dollars check box.
5. Choose OK.

EXERCISE

In the following exercise, you will use the Major Purchase Goal Concept.

1. From the Concepts menu, choose Goals *The Goals submenu appears.*
2. Choose Major Purchase *The Major Purchase Goal Concept dialog box appears.*
3. Enter the data as shown in Figure 1-10, pressing TAB to move through the dialog box
4. Choose OK *The Major Purchase Goal Concept report appears.*
5. Review the report table and summary *The client has to invest \$389 per month (indexed to the increase in the price of mobile homes) to be able to purchase the mobile home.*
6. Minimize the Concept *The Concept is reduced to an icon.*

END

Working with the Education Goal Concept

One of the most common goals for parents is to save enough money for their children's education. The Education Goal Concept provides a quick way to show parents how much they need to save to send their children to college. You enter data in the Education Goal Concept dialog box, shown in Figure 1-11.

For this example, a young couple is concerned about the cost of post-secondary education for their two children, Randy, 6, and Susan, 4. They want to ensure that they can finance 4 years of college, at \$5,000 per year in today's dollars, for each child beginning at age 18. The couple has \$2,000 to invest, and they want to know how much to invest each year to reach their goal. Assume a return rate of 8 percent on the investment, an average tax rate of 20 percent for the couple, savings indexed at 2 percent per year, and college costs indexed at 3 percent per year.

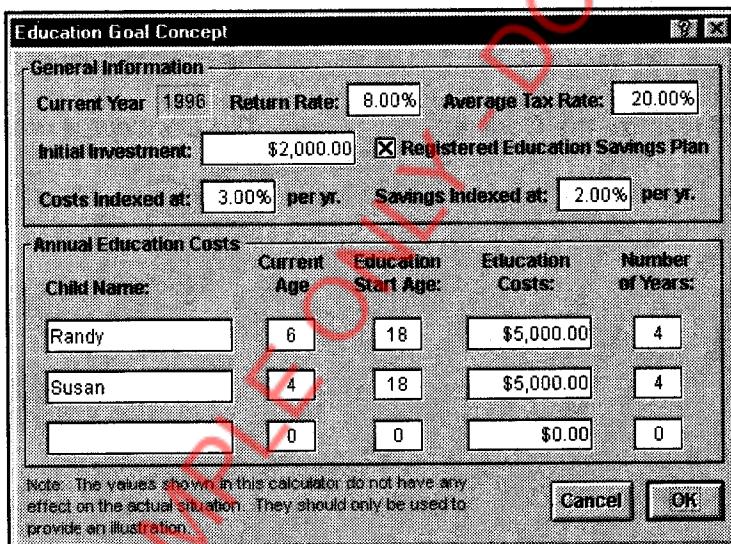


Figure 1-11: The Education Goal Concept Dialog Box

METHOD

To use the Education Goal Concept:

1. From the Concepts menu, choose Goals.
2. From the Goals submenu, choose Education.
3. In the text boxes, enter the data.
4. Choose OK.

EXERCISE

In the following exercise, you will use the Education Goal Concept.

1. From the Concepts menu, choose Goals *The Goals submenu appears.*
2. Choose Education *The Education Goal Concept dialog box appears.*
3. Enter the data as shown in Figure 1-11, pressing TAB to move through the dialog box
4. Choose OK *The Education Goal report appears.*
5. Maximize the report so that all of the columns are visible
6. Review the report table and summary *Note in the summary that this Concept does not utilize the annual limits on RESP contributions.*
7. Click the Graph radio button *The Education Goal graph appears.*
8. Review the graph *With the graph, it is easy to see the effect of no longer saving for Randy's education after age 18, since he has started college.*

END

Using Other PFP Features

Other fundamentals of PFP include using the Trash, Context-Sensitive Help, and How To Help, and exiting PFP.

Using the Trash

In Windows 95, you place discarded items in the Recycle Bin. In PFP, you place discarded items in the *Trash*. The Trash icon takes two forms; one when it is empty and one when it contains discarded items, as shown in Figure 1-12. After you place several items in the trash, a message box appears, telling you that the Trash is full. You can choose Yes to empty it now or No to empty it later.

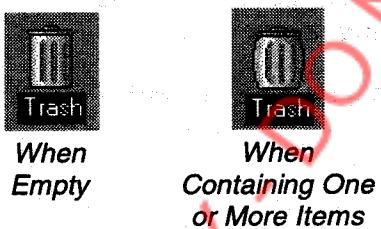


Figure 1-12: The Trash Icon

If you use the Close button to close a Concept report or graph, PFP automatically discards the item in the Trash. You can also discard an item in icon form by dragging it to the Trash icon and holding it there until the Trash lid opens.

You can retrieve discarded items from the Trash by dragging them out of the Trash folder. If you want to discard all unwanted items completely, you can empty the trash.

METHOD

To place an item in the Trash:

1. If the item is an icon, drag the item on top of the Trash until the Trash lid opens.
or
1. If the item is a table or graph, click the Close button.

To retrieve an item from the Trash:

1. Double-click the Trash icon to open the Trash window.
2. Drag the desired item out of the Trash folder (e.g., onto the desktop).
3. Minimize the Trash window.

Note: Once you've retrieved the item from the Trash, minimize the Trash window to an icon. Clicking the Close button has no effect.

To empty the Trash:

1. Right-click the Trash icon.
2. From the shortcut menu, choose Empty.

EXERCISE

In the following exercise, you will place items in the Trash, retrieve an item, and then empty the Trash.

1. Make sure the Education Goal graph is still in view
2. Click the Close button
3. Double-click the Trash icon
4. Drag the Education Goal icon onto the desktop
5. Minimize the Trash folder
6. Drag the Regular Investments icon to the Trash and hold it there until the Trash lid opens
7. Right-click the Trash icon
8. Choose Empty

The Education Goal graph disappears. The Trash icon has changed to show that it contains discarded items.

The Trash icon changes to a folder.

The Trash folder changes to an empty Trash icon.

The item is placed in the Trash.

A shortcut menu appears.

The item is permanently discarded, and the Trash icon is empty.

END

Using Context-Sensitive Help

You might have questions regarding PFP that the Quick Start Guide, User's Guide, and Advanced Features Guide can't answer. You might also want to find Help quickly, without leafing through a manual. PFP offers context-sensitive help for every window with a Help button. Clicking this button opens the Help system and displays definitions and uses of the current window.

Often the Help window contains words in green. Green words with solid underlines are *jumps*. Green words with dotted underlines are *pop-ups*. Clicking a jump displays a Help window on that topic. If the Help window contains a picture of a PFP window, you can click the window when the mouse pointer becomes a hand to display information about that PFP window. Clicking a pop-up displays a definition and related information.

METHOD

To access context-sensitive help:

Window method

1. In any open window, click the Help button.
2. Click the Close button when finished.

Icon method

1. Right-click the icon.
2. From the shortcut menu, choose Help.
3. Click the Close button when finished.

To display a jump or a pop-up:

1. Click the jump or pop-up.

To display Help on PFP windows in the Help window:

1. Position the mouse pointer over the PFP window and hold it there until the mouse pointer becomes a hand.
2. Click the mouse.

EXERCISE

In the following exercise, you will use context-sensitive help.

1. Right-click the Maximum Payout (from LIF) icon
A shortcut menu appears.
2. Choose Help
A Help window appears.
3. Scroll through the window to view the entire contents
4. Scroll to the top of the Help window
5. Position the mouse pointer over the Maximum Payout (from LIF) Concept jump
The mouse pointer changes to a hand.
6. Click the Maximum Payout (from LIF) Concept jump
A Help window for the Maximum Payout (from LIF) Concept dialog box appears.
7. Position the mouse pointer over the LIF Payout Period section of the dialog box diagram in the Help window
The mouse pointer changes to a hand.
8. Click the mouse
Definitions of the three items in the LIF Payout Period section appear.
9. Click anywhere in the Help window
The definitions disappear.
10. Click the Close button
The Help system closes.
11. Double-click the Printer icon
The Printer dialog box appears.
12. In the upper right corner, click the Help button
A Help window appears.
13. In the diagram in the window, place the mouse pointer over the area below the Name list box
The mouse pointer changes to a hand.
14. Click the mouse
A definition of Documents List appears.

Section 1: Personal Financial Planner Basics

15. Click the Concepts pop-up
A definition of Concepts appears.
16. Click anywhere in the Help window
The pop-up disappears.
17. Close the Help window

END

WRITING SAMPLE ONLY - DO NOT SHARE

Using the How To Help Feature

Besides accessing context-sensitive Help, you can also access alphabetically listed Help topics. The How To Help feature allows you to look up such information as how to print a concept and how to work with the Trash. The How To Help window, shown in Figure 1-13, is easy to navigate. Just click the first letter of your topic from the list of letters at the top of the window. This step takes you to the list of topics beginning with that letter. Then you can scroll through the window to find the topic you desire. The Help topic often displays related pop-ups and jumps.

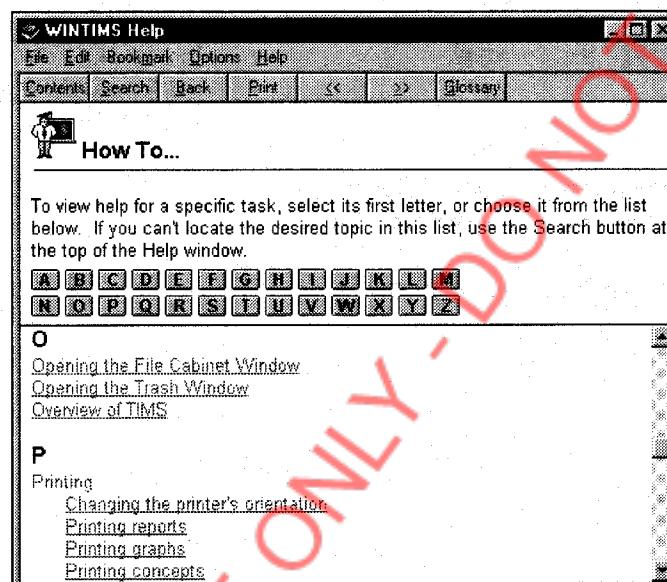


Figure 1-13: The How To Help Window

METHOD

To use the How To feature of Help:

1. From the Help menu, choose How To.
2. In the How To window, from the list of letters at the top of the window, click the letter that begins the desired topic.
3. Scroll through the window until the desired topic is visible.
4. Click the desired topic when the mouse pointer changes to a hand.
5. Scroll through the window to review the information.
6. Close the Help window when finished.

EXERCISE

In the following exercise, you will use the How to Help feature.

1. From the Help menu, choose How To
The How To dialog box appears.
2. From the list of letters, click O
The topics that begin with O appear.
3. Position the mouse pointer on top of Opening the Trash Window
The mouse pointer changes to a hand.
4. Click the mouse
A Help window with the heading Opening/Closing the Trash Window appears.
5. If necessary, scroll down to view the list of Related Topics
6. Close the Help window

END

Exiting PFP

When you're finished working with PFP, you should exit the program. When you exit PFP, all Concepts and all items in the Trash are permanently discarded.

METHOD

To exit PFP:

1. On the title bar, click the Close button.
or
1. From the File menu, choose Exit.

EXERCISE

In the following exercise, you will exit PFP.

1. From the File menu, choose Exit

END

Section 1

Summary

To load the Personal Financial Planner:

1. Make sure the IG Advantage window is visible.
2. On the toolbar, click the Planning icon.
3. On the toolbar, click the PFP button.

To select an item from a submenu:

1. From the submenu, choose the desired command.
2. From the submenu, choose the desired command.
3. Repeat step 2 as necessary.

To display a shortcut menu for an icon:

1. Position the mouse pointer over the desired item.
2. Right-click the mouse button.

To move through a dialog box:

1. Press TAB to move forward.
or
1. Press SHIFT+TAB to move backward.

To cancel the data entered in a dialog box:

1. Click the Cancel button.
or
1. Click the Close button.

To use the Regular Investments Concept for DA projections:

1. From the Concepts menu, choose Investments.
2. From the Investments submenu, choose Regular.
3. In the Regular Investments Concept dialog box, in the text boxes, type the data, pressing TAB after each entry.
4. In the Frequency list box, select Annual or Monthly.
5. If Annual is selected, then in the Time of Year list box, make a selection.
6. Choose OK.

To edit data in the Regular Investments Concept:

1. At the bottom of the report, choose Re-edit Data.
2. In the Regular Investments Concept dialog box, make the desired changes.
3. Choose OK.

To view a Concept graph:

1. At the bottom of the report, select the Graph radio button.

To change the perspective of a Concept graph:

1. Drag the horizontal or vertical scroll box to the desired location.

To display the balloon label in a Concept graph:

1. Click the desired data series.
- or
1. Press **LEFT ARROW** and **RIGHT ARROW** to move to an adjacent year.
or
1. Press **UP ARROW** and **DOWN ARROW** to move to adjacent data series.

To display the shortcut menu for the entire Concept graph or a data series:

1. Right-click the graph background or the desired data series.

To change the type or view of the entire Concept graph:

1. Right-click the graph background.
2. From the shortcut menu, choose Type or View.
3. From the Type or View submenu, choose an option.

To change the type, color, pattern, polymarker, or line for a data series:

1. Right-click the desired data series.
2. From the shortcut menu, choose Type, Color, Pattern, Polymarker, or Line.
3. From the submenu, make a selection.

To maximize or minimize a Concept:

1. Click the Maximize or Minimize button.

To open an existing Concept:

1. Double-click the Concept icon.

To print a Concept:

1. If necessary, minimize the Concept.
2. Drag the Concept icon to the printer icon and hold it there until a green light appears.
3. In the Printer dialog box, choose Print.

To preview a Concept printout:

1. Open the Printer dialog box for the Concept.
2. Choose Preview.

To use the Payout Duration VIP Concept:

1. From the Concepts menu, choose Investments.
2. From the Investments submenu, choose Payout Duration (V.I.P.).
3. In the text boxes, enter the data.
4. In the Frequency list box, select Annual or Monthly.
5. If Annual is selected, then in the Time of Year list box, select an option.
6. Choose OK.

To use the Minimum Payout from RRIF Concept

1. From the Concepts menu, choose RRIFs.
2. From the RRIFs submenu, choose Minimum Payout.
3. In the text boxes, enter the data.
4. If necessary, select the New RRIF check box.
5. In the Frequency list box, select Annual or Monthly.
6. If Annual is selected, then in the Time of Year list box, select an option.
7. Choose OK.

To use the Maximum Payout from LIF Concept:

1. From the Concepts menu, choose LIFs.
2. From the LIFs submenu, choose Maximum Payout.
3. In the text boxes, enter the data.
4. In the Frequency list box, select Annual or Monthly.
5. If Annual is selected, then in the Time of Year list box, select an option.
6. Choose OK.

To use the Major Purchase Goal Concept:

1. From the Concepts menu, choose Goals.
2. From the Goals submenu, choose Major Purchase.
3. In the text boxes, enter the data.
4. Under Lump Sum Information, if desired, click the 1996's Dollars check box.
5. Choose OK.

To use the Education Goal Concept:

1. From the Concepts menu, choose Goals.
2. From the Goals submenu, choose Education.
3. In the text boxes, enter the data.
4. Choose OK.

To place an item in the Trash:

1. If the item is an icon, drag the item on top of the Trash until the Trash lid opens.
or
1. If the item is a table or graph, click the Close button.

To retrieve an item from the Trash:

1. Double-click the Trash icon to open the Trash window.
2. Drag the desired item out of the Trash folder (e.g., onto the desktop).
3. Minimize the Trash window.

To empty the Trash:

1. Right-click the Trash icon.
2. From the shortcut menu, choose Empty.

To access context-sensitive help:

Window method

1. In any open window, click the Help button.
2. Click the Close button when finished.

Icon method

1. Right-click the icon.
2. From the shortcut menu, choose Help.
3. Click the Close button when finished.

To display a jump or a pop-up:

1. Click the jump or pop-up.

To display Help on PFP windows in the Help window:

1. Position the mouse pointer over the PFP window and hold it there until the mouse pointer becomes a hand.
2. Click the mouse.

To use the How To feature of Help:

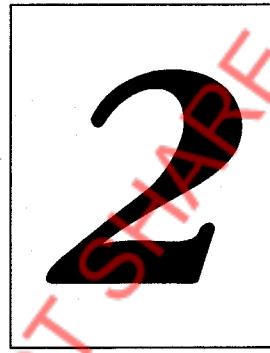
1. From the Help menu, choose How To.
2. In the How To window, from the list of letters at the top of the window, click the letter that begins the desired topic.
3. Scroll through the window until the desired topic is visible.
4. Click the desired topic when the mouse pointer changes to a hand.
5. Scroll through the window to review the information.
6. Close the Help window when finished.

To exit PFP:

1. On the title bar, click the Close button.
or
1. From the File menu, choose Exit.

WRITING SAMPLE ONLY - DO NOT SHARE

Section



Analyzing a Situation

- Working with a Situation
- Using the Planning Assistant
- Using the Cash Flow Assistant

WRITING SAMPLE ONLY
DO NOT SHARE

Section Skills and Their Importance

In the following section you will learn to:

■ Work with a situation

Before you can analyze a situation, you need to know how to open it. You can then duplicate, or make an exact copy of, the situation. This allows you to make adjustments to the initial situation without losing any of the data. You can then compare the two situations. Chapter 3 in the *Quick Start Guide* gives you more information on entering and analyzing data.

■ Use the Planning Assistant

The Planning Assistant is the key to utilizing the power of PFP in analyzing a family's situation. The Planning Assistant provides analysis and recommendations on how to apply strategies to correct problems and take advantage of financial opportunities. The Strategy Assistant helps you select and apply these strategies.

■ Use the Cash Flow Assistant

Throughout your analysis, you might need to review a family's cash flow information. The most efficient way to access this information is with the Cash Flow Assistant. It provides a complete analysis of the family's cash flow for any given year. You can also make changes to the current situation and view the results instantly.

Working with a Situation

Before you can work with a situation, you need to open the family, and then open the situation.

Opening an Existing Family

When you open an existing family, a *file cabinet* (with the family's name below it) appears in the lower left corner of the screen. The file cabinet is where one family's situations are stored along with their personal information. PFP allows only one open family at a time.

METHOD

To open an existing family:

1. From the File menu, choose Open.
2. From the Open submenu, choose Family.
3. In the Open Family dialog box, in the list box below the File Name text box, select the desired family.
4. Choose OK.

EXERCISE

In the following exercise, you will open an existing family.

1. Load PFP
2. From the File menu, choose Open *The Open submenu appears.*
3. Choose Family *The Open Family dialog box appears.*
4. In the list box below the File Name text box, select
c:\progra~1\wintims\data\jones.tms
5. Choose OK *The Open Family dialog box closes, and a file cabinet, with the name Jones below it, appears in the lower left corner of the PFP window.*

END

Opening a Situation

Once you open a family, you can open a situation by double-clicking the desired situation folder. A file cabinet can contain many situations, all of which can be open at the same time. When you open a situation, the Situation Analysis window appears, displaying the current situation's data in graphical form.

METHOD

To open a situation:

1. In the lower left corner of the screen, double-click the file cabinet.
2. In the window that appears, double-click the desired situation folder.

EXERCISE

In the following exercise, you will open a situation.

1. In the lower left corner of the screen, double-click the Jones file cabinet *The Jones window appears.*
2. Double-click the Current (1996) folder *The Current (1996) Situation Analysis window appears.*

END

Identifying Elements of the Situation Analysis Window

The Situation Analysis window consists of two graphs. The top graph displays Accumulated Surplus/Deficit and Current Surplus/Deficit. The bottom graph displays Total Net Worth and Lifestyle Assets. Just as with Concepts, you can change the graph type, view, color, and so on of each section. You can display different graphs based on the situation data. You can also access Documents (Reports, Graphs, or Concepts) to help illustrate information and Strategies to help you maximize a client's financial outlook.

Figure 2-1 shows the elements of the Situation Analysis window. Table 2-1 provides descriptions of these elements.

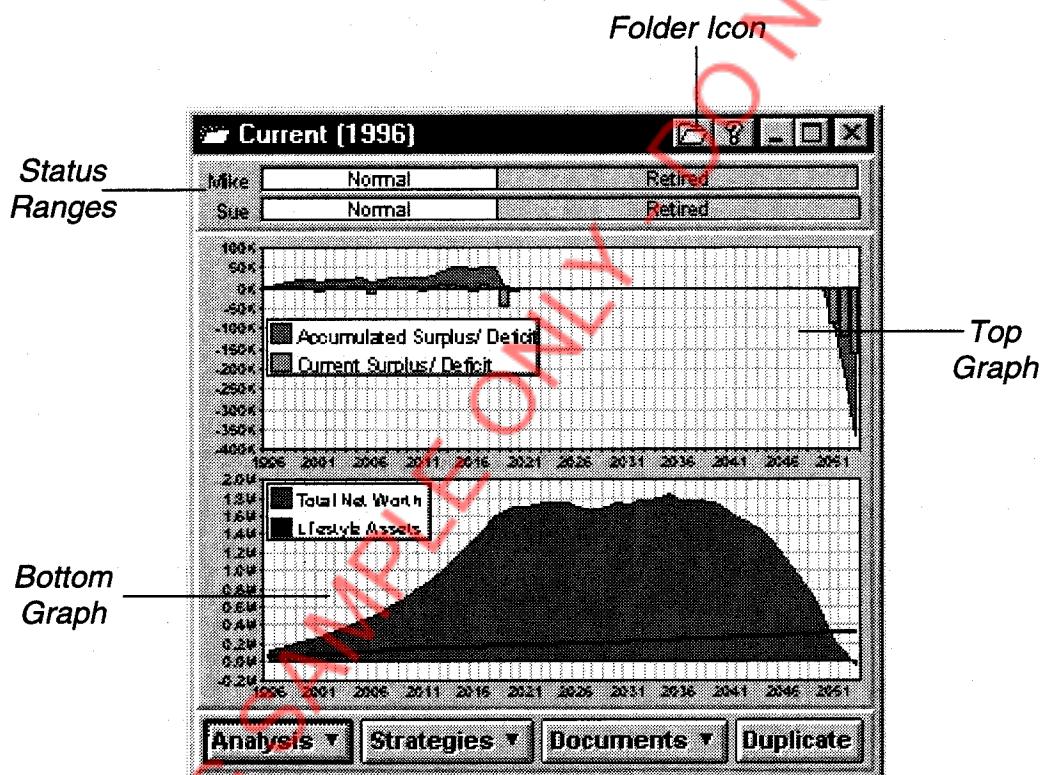


Figure 2-1: Elements of the Situation Analysis Window

Situation Analysis Window Element	Description
Folder Icon	Displays as an open folder when the window is active and a closed folder when the window is inactive.
Status Ranges	Slider bars that let you define the status ranges for each family head. The five status ranges are Normal, Disabled, Retired, Retired & Disabled, and Deceased. A family member can only have one status classification at any given time but will probably change status over the course of their lifetime.
Top Graph	<p>User-defined and can appear as any of the following types:</p> <ul style="list-style-type: none"> • Current and Accumulated Surplus/Deficit • Net Worth and Lifestyle Assets • Total Assets and Total Liabilities • Total Income, Expenses, and Taxes • Total Funds, Expenses, and Taxes • Asset Categories • Deficit Coverage Sells • Deficit Coverage Assets
Bottom Graph	User-defined and can appear as any of the types available for the Top Graph.
Analysis button	Displays a pop-up menu used to change the top and bottom graph.
Strategies button	Displays a pop-up list of the available strategies that can be applied to the current situation.
Documents button	Displays a pop-up list of the available documents that can be generated based on the current situation.
Duplicate button	Creates an exact copy of the current situation.

Table 2-1: Description of Situation Analysis Window Elements

Changing the Top or Bottom Graph

PFP allows you to display several different graphs in the Situation Analysis window. The Accumulated Surplus/Deficit and Current Surplus/Deficit graph and the Total Net Worth and Lifestyle Assets graph are the defaults. If you change either graph and then close the situation, a message box appears, asking if you would like to save the changes made to the situation. Choose Yes to save the changes or No to cancel the changes.

METHOD

To change the top or bottom graph:

1. In the lower left corner of the Situation Analysis window, click the Analysis button.
2. From the pop-up menu, choose Top Graph or Bottom Graph.
3. From the submenu that appears, choose the desired graph.

EXERCISE

In the following exercise, you will change the display of the top and bottom graphs in the Situation Analysis window.

- | | |
|--|--|
| 1. Click the Analysis button | A pop-up menu appears. |
| 2. Choose Top Graph | The Top Graph submenu appears. |
| 3. From the Top Graph submenu, choose Total Funds and Total Expenses | The Top Graph changes to display the Total Funds and Total Expenses graph. |
| 4. Click the Analysis button | A pop-up menu appears. |
| 5. Choose Bottom Graph | The Bottom Graph submenu appears. |
| 6. From the Bottom Graph submenu, choose Asset Categories | The Bottom Graph changes to display the Asset Categories graph. |
| 7. Compare your results with Figure 2-2 | |

8. Click the Situation Analysis window Close button

A message box appears, asking if you would like to save the changes to the situation.

9. Choose No

The Situation Analysis window closes.

END

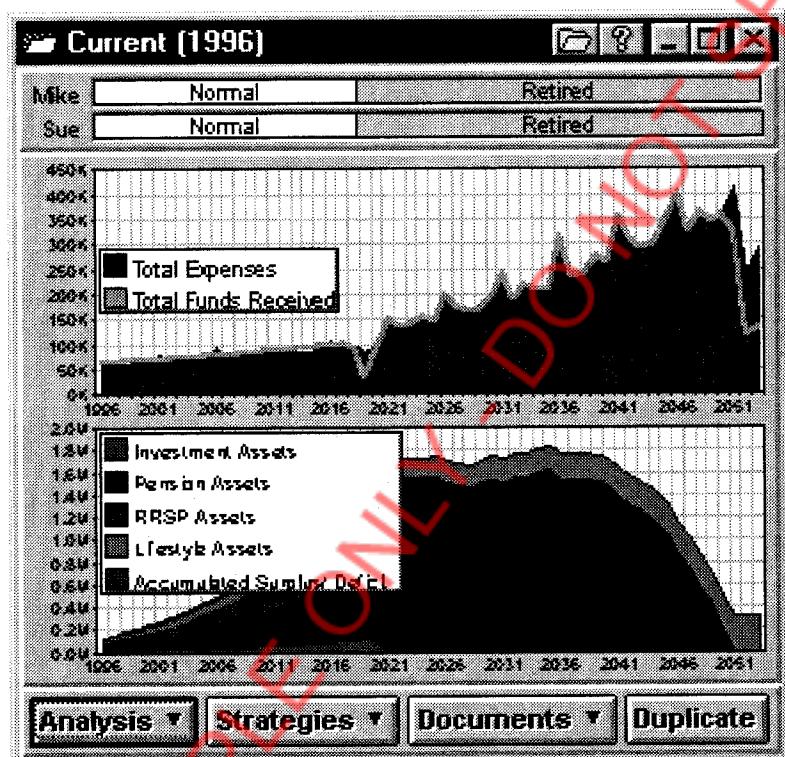


Figure 2-2: The Situation Analysis Window after Changing the Graphs

Duplicating and Activating a Situation

Duplicating a situation creates an exact copy of the current situation and automatically places it beside the current situation. This step is necessary so you will always have a starting point for comparison during the planning process. Duplicating situations also helps you track multiple financial plans easily.

When you duplicate a situation, the new situation is active. You can only work with an active situation. If you want to work with another open situation, just click anywhere within its window. An active situation will display an open folder to the left of the Help button on the title bar of the Situation Analysis window. An inactive situation will display a closed folder to the left of the Help button.

METHOD

To duplicate a situation:

1. In the Situation Analysis window, click the Duplicate button.
2. In the Duplicate Situation dialog box, in the Name text box, type the desired name.
3. If desired, in the Description text box, type a description.
4. Choose OK.

To activate a situation:

1. Click anywhere in the desired Situation Analysis window.

EXERCISE

In the following exercise, you will duplicate and activate a situation.

1. Open the Current (1996) situation
2. In the lower right corner of the Situation Analysis window, click the Duplicate button *The Duplicate Situation dialog box appears.*
3. In the Name text box, type **New Plan**

4. Press TAB
5. In the Description text box, type
The Jones' proposed financial plan
6. Choose OK
7. Click anywhere in the Current (1996) window
8. Click anywhere in the New Plan (1996) window

The Duplicate Situation dialog box disappears. The duplicate situation, New Plan (1996) appears next to the Current (1996) situation.

The folder icon in the New Plan (1996) window is closed, and the window is inactive. The folder icon in the Current (1996) window is open, and the window is active.

The folder icon in the Current (1996) window is closed, and the window is inactive. The folder icon in the New Plan (1996) window is open, and the window is active.

END

Closing a Situation or Family

When you finish working with a situation, you should close the situation. To close a situation using the File menu, you must first make the situation active by clicking either its window or folder. You can also close the situation by clicking the Close button. When you close a situation, it is automatically placed in the family's file cabinet.

Before closing a family, you should place all situations in the file cabinet, to keep all related information in one place.

METHOD

To close a situation window:

1. From the File menu, choose Close.
2. From the Close submenu, choose Situation.
or
1. Click the Close button.

To close a family:

1. From the File menu, choose Close.
2. From the Close submenu, choose Family.

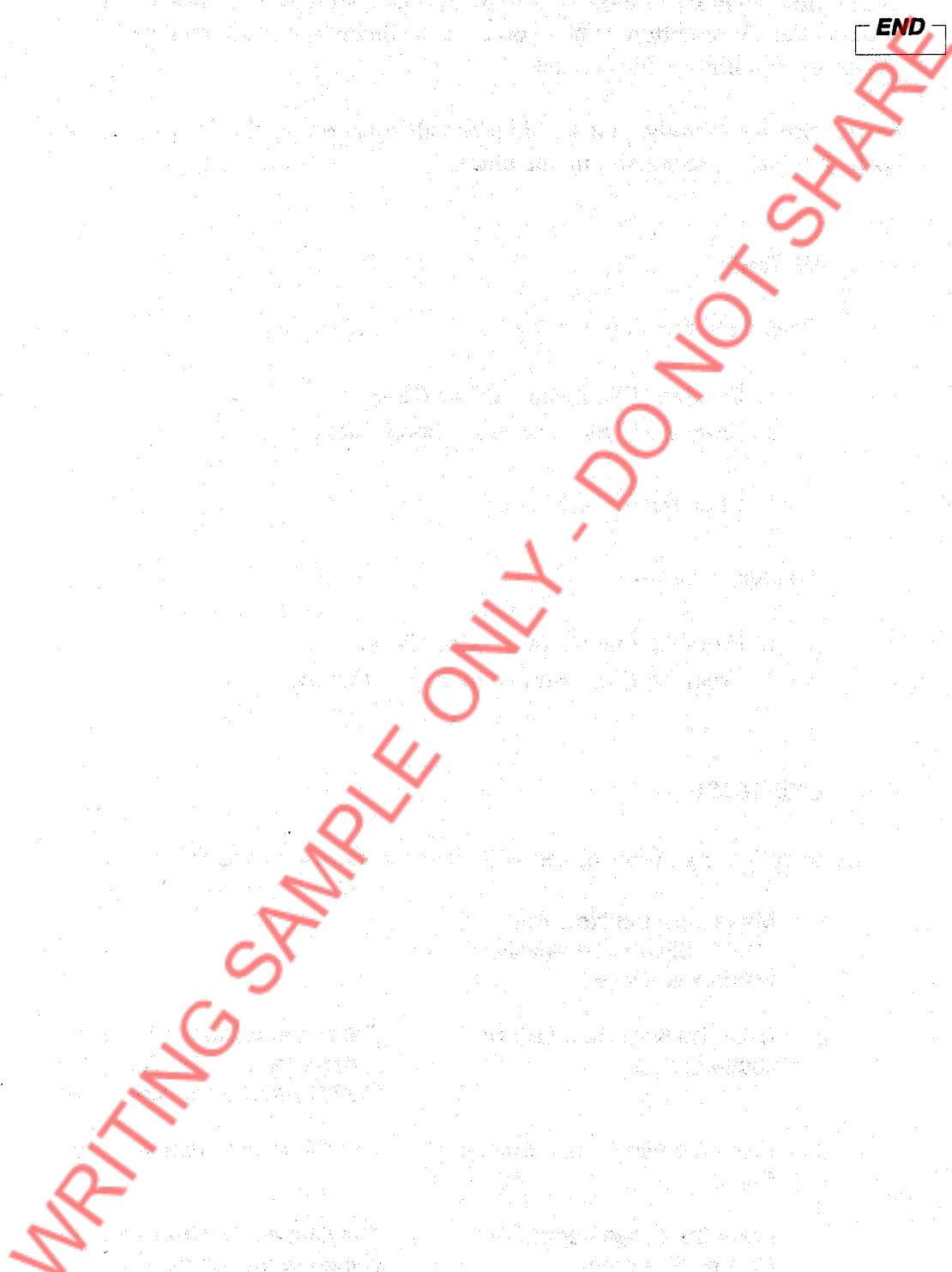
EXERCISE

In the following exercise, you will close the situations and the family.

1. Make sure the New Plan (1996) Situation Analysis window is active
2. Click the New Plan (1996) Close button
The folder is placed in the file cabinet folder. The Current (1996) situation is now active.
3. From the File menu, choose Close
The Close submenu appears.
4. From the Close submenu, choose Situation
The Current (1996) window is placed in the file cabinet.

5. From the File menu, choose Close *The Close submenu appears.*
6. From the Close submenu, choose Family *The Jones family is removed from the desktop.*

END



Using the Planning Assistant

The *Planning Assistant* is designed to automate common financial planning tasks and offer practical planning advice. The Planning Assistant window displays a complete analysis of the situation's data or a graphical display of the long-term picture.

Opening the Planning Assistant

The Planning Assistant is most commonly used with a duplicate situation, since you want to keep the initial situation intact. The Planning Assistant can be opened from the Strategies menu or from within the Situation Analysis window. If you use the Strategies menu to open the Planning Assistant, make sure the desired situation is active; otherwise, you might make changes to the wrong situation.

METHOD

To open the Planning Assistant:

Situation Analysis window method

1. Click the Strategies button.
2. From the pop-up menu, choose Planning Assistant.

Menu method

1. Make the desired situation active.
2. From the Strategies menu, choose Planning Assistant.

EXERCISE

In the following exercise, you will open the Planning Assistant.

1. Open the Jones family and its two situations
2. Make sure that both Situation Analysis windows are visible
3. Click the New Plan Strategies button *A pop-up menu appears.*
4. Choose Planning Assistant *The Planning Assistant window appears.*

END

Defining and Navigating the Planning Assistant Window

Along the top of the Planning Assistant window are category buttons. When you click the Overview category button, the Analysis Details box lists the areas where the Planning Assistant has identified problems, questions, and opportunities, and the Recommendation Details box explains each category marker found on the category buttons, as shown in Figure 2-3. Clicking any of the other category buttons displays specific analysis and recommendation details regarding that category.

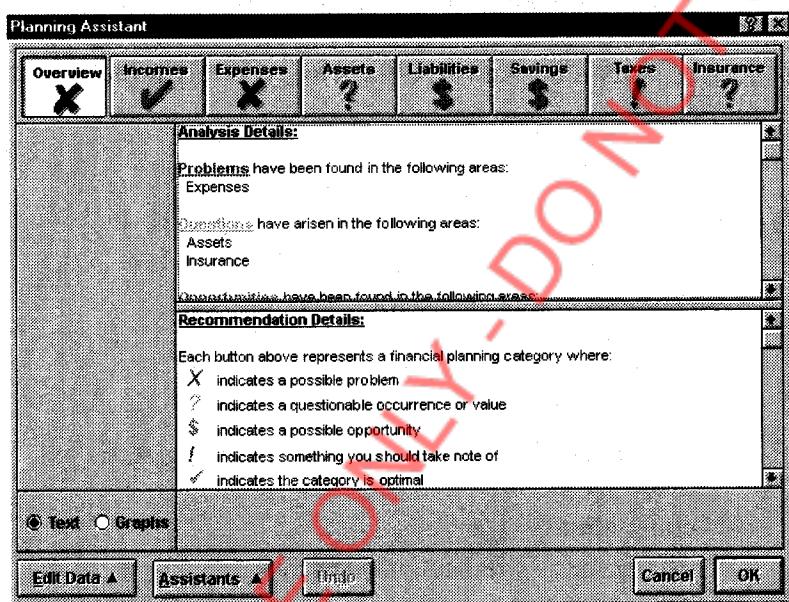


Figure 2-3: The Planning Assistant Window with Overview Category Selected

Sub-category buttons, located along the left side of the Planning Assistant window, as shown in Figure 2-4, refer to the available financial planning areas that can be examined based on each of the six categories. Sub-category buttons appear when a category button other than the Overview category button is selected. Selecting a sub-category button displays analysis and recommendation details that are directly related to the sub-category.

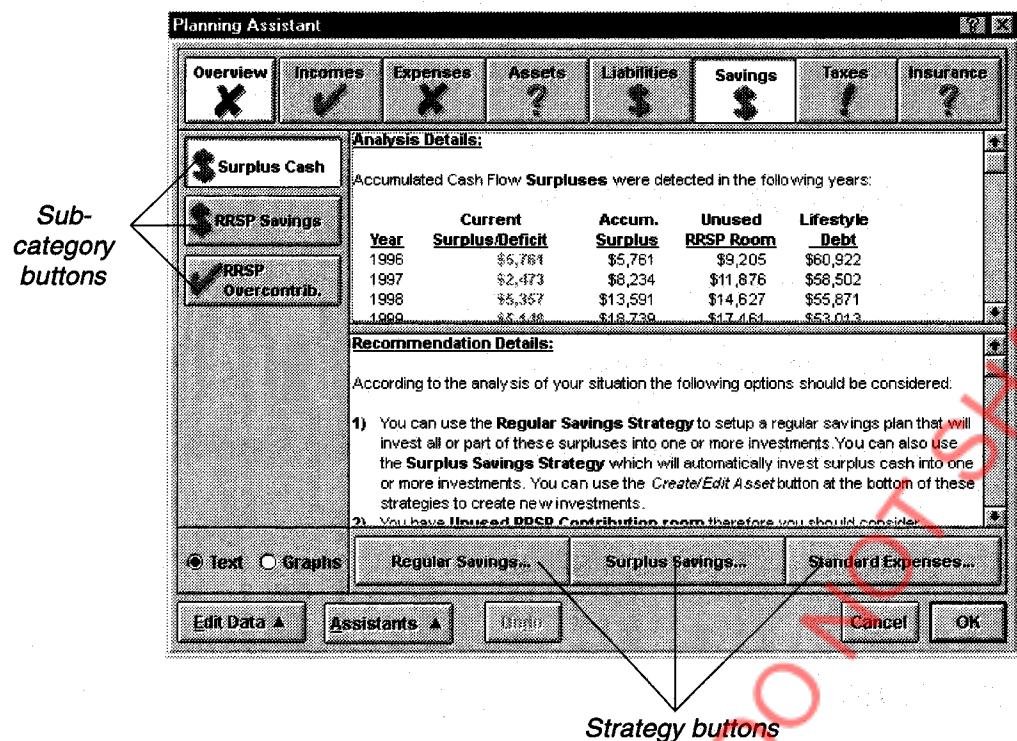


Figure 2-4: The Planning Assistant Window with Savings Category Selected

The available strategy buttons for each selected category are listed along the bottom of the Planning Assistant window. Clicking any of these buttons opens the corresponding strategy dialog box. You can also edit data by clicking the Edit Data button and choosing the desired option. Clicking the Assistants button provides access to other financial planning assistants. You can even view the Situation Analysis window graph by clicking the Graphs radio button at the lower left of the window. This enables you to graphically view the situation as you make changes.

Solving a problem in one category often causes a different category marker to appear in another category. If this occurs, you can either follow the instructions given to solve the new problem or choose the Undo button to reverse the last change you made.

METHOD

To access a category:

1. Click the desired category button.

To access a sub-category:

1. Click the desired sub-category button.

To view the Situation Analysis graph in the Planning Assistant window:

1. Select the Graphs radio button.

EXERCISE

In the following exercise, you will navigate the Planning Assistant window.

1. Scroll through the Analysis Details box and review the details
2. Scroll through the Recommendation Details box and review the details
3. Click the Savings category button

The Analysis Details box lists a Problem in Expenses, Questions in Assets and Insurance, Opportunities in Liabilities and Savings, and Notes for Taxes and Insurance.

The Recommendation Details box explains each category marker.

Three sub-category buttons appear, and the Surplus Cash sub-category is selected. Three strategy buttons relating to the sub-category appear at the bottom of the window. The Analysis Details and Recommendation Details boxes relate to the sub-category.

4. Click the RRSP Savings sub-category button
The information in the Analysis Details and Recommendation Details boxes change to reflect the new sub-category. The Strategy buttons also change.
5. Click the Overview category button
The Analysis Details and Recommendation Details boxes again display the explanations and definitions.
6. Select the Graphs radio button
The Situation Analysis window graph replaces the Analysis Details and Recommendation Details boxes.
7. Select the Text radio button
The Analysis Details and Recommendation Details boxes replace the Situation Analysis window graph.

END

Applying a Strategy

Problems are often solved and opportunities are often capitalized on by applying one or more financial planning strategies. For each problem and opportunity, read the text in the Analysis Details box, taking note of how it applies to the current situation. Some problems and opportunities offer a textual description, while others offer a table of data referring to problems and opportunities on a year-by-year basis. In the Recommendation Details box, you can read the text, which offers one or more answers to the current problem or opportunity.

When you click a strategy button, a corresponding strategy dialog box appears. You insert a *record* that corresponds to the strategy in use. A record is a single line of data that you enter in a strategy dialog box. For example, you might insert a record to purchase an additional \$50 in mutual funds on a monthly basis for a client who has excess cash available at the end of each month. Table 2-2 describes the types of records you can enter.

Once a strategy is implemented, the Planning Assistant will analyze the situation again. If the strategy is successful, the problem (x category marker) or opportunity (dollar sign category marker) will be upgraded to an optimal situation (check mark category marker). If the strategy is unsuccessful, the original category marker remains, and further use of strategies is necessary. In some instances, a strategy may be only partially successful. In this case, a problem might be upgraded to a concern or opportunity, and further use of strategies is necessary.

Record	Description
Buy	A record that purchases units of an asset or the entire asset.
Sell	A record that redeems a portion or all of an asset.
Transfer	A record that moves a portion (or all) of an asset to another asset.
Principal Modifier	A record that reduces or adds to the outstanding balance of an existing loan.

Table 2-2: Types of Records