**Laboratory 10: Simple Personal Finance Model**

**BSEN 5250/6250**

The purpose of this laboratory is to use a simple finance model to determine how to achieve your financial goals. An initial spreadsheet containing several finance models can be found on the Canvas site under \files\Labs\Lab 10-Simple Personal Finance Model.xlsm.

Develop a paragraph describing what you found for each question below. Be prepared to discuss your findings in class.

**Question 1:** Fill in the “Retirement Savings” spreadsheet with several salary scenarios and savings goals. Set the age column to your age. Experiment with different salary and savings rate scenarios to determine how these parameters can impact cumulative retirement savings.

**Question 2:** In the “Delaying Retirement Savings” tab, determine how delaying saving for retirement impacts cumulative savings at 66 years old. Set the annual savings column to $0 for early years to represent delaying retirement savings.

**Question 3:** Spending money on daily habits means we have less money to invest for retirement. In the “Cost of Habits” tab, develop different examples of common daily habits such as eating lunch out or buying expensive coffee every day. Evaluate the cumulative cost of these habits through age 66.

**Question 4:** Using the “Loan Payments” tab, evaluate the impact of different loan terms on cumulative interest paid over the life of a loan. This spreadsheet can be used to evaluate any type of loan. Run several scenarios on house loans (typically 180 or 360 months) and car loans (typically 48-72 months).

**What to turn in:** Nothing. Be prepared to discuss your results in class.