

The following is an additional, simplified example of a financial planning solution to be automated.

“A young man recently out of college has accrued debt and is interested in financial strategies to help him pay off his debt quicker. One day, he comes across your automated financial planning tool and quickly and anonymously answers a few questions, all online, from the privacy of his home.”

Here were the blank fields he completed:

Approximate amount of non-RRSP investments: \$10,000

Approximate amount of personal debt (non-mortgage): \$10,000

Approximate average interest rate on debt mentioned above: 12%

Annual income: \$50,000

Additional Information:

1. Average Marginal Tax Brackets:

<i>\$0 - \$12,000</i>	<i>0%</i>
<i>\$12,000 - \$46,000</i>	<i>22%</i>
<i>\$46,000 - \$90,000</i>	<i>35%</i>
<i>\$90,000+</i>	<i>45%</i>

2. RRSP = Registered Retirement Savings Plan

3. RESP = Registered Education Savings Plan (also qualifies for a 20% government grant on investments made in the plan; limits on RESP are not applicable in this example)

4. The financial solution (output) is for individuals with debt to consider:

- a. Withdrawing funds from existing non-RRSP investments;*
- b. Pay off existing debt with investment withdrawal funds;*

- c. *Contract new debt for the same amount held previously;*
- d. *Re-invest the proceeds of the new debt into a new non-RRSP investment;*
- e. *Make financial gains (tax refunds) on the tax deduction eligible due to borrowing money to invest;*
- f. *Use the tax refunds to invest in an RRSP and make additional financial gains (tax refunds);*
- g. *Invest the additional (second) tax refund into an Education Savings Plan and earn an additional financial gain.*

5. *The financial solution (output) using the given inputs above would result in:*

- h. *Withdrawn non-RRSP investments: \$10,000*
- i. *Pay off existing debt: \$10,000*
- j. *Contract new debt: \$10,000*
- k. *Make a new non-RRSP investment: \$10,000*
- l. *With a 12% interest rate, $\$10,000 \times 12\% = \$1,200$ in tax deductions*
- m. *With a \$50,000 income and a 35% tax bracket, $\$1,200 \times 35\% = \420 tax refund.*
- n. *Invest the \$420 in refund cash into an RRSP investment and generate additional gains, $\$420 \times 35\% = \147*
- o. *Invest the \$147 in refund cash into an Educational Savings Plan and earn 20% interest, $\$147 \times 20\% = \29*

The result: In the first year, an individual can automatically make \$596 on financial gains without spending a dollar. ($\$420 + \$147 + \$29 = \596) Each year, the gains will continue as long as the debt is in place.

Your Job:

Design and develop a simple, mobile-friendly website where a user can anonymously register, input these 4 simple data pieces, and retrieve an automated output report; \$596 financial benefit with \$0 spent.

Your website must also be able to generate the visually appealing output report, summarizing the step-by-step process into a 1-pager. The client must be able to share the report and chart with other people.