MONEY MONEY MONEY!

UNIVERSITY - A Mamma Mia Inspired Financial Plan

SPRING 2024

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INTRODUCTION: "I HAVE A DREAM"

Imagine leaving behind everything you've ever known, journeying to a land 24 hours away from the comforts of home, and taking on the challenges of building a new community, a new beginning in a country you have never been to before with no family members nearby. Drawing inspiration from the timeless tale of "Mamma Mia,“ specifically, where Donna Sheridan sets sail for Greece to chart her own destiny, I invite you to join me, an international student hailing from Malaysia, on a similar odyssey through the realms of financial planning. Within the pages of this plan lie the blueprints of my financial plan.

Being raised in an environment of financial uncertainty, I am more than familiar with the power of financial literacy. Fortunately, I am blessed with a full-tuition scholarship to University so I am starting my financial journey without the burden of debt. As for my major, I chose to delve into the realm of Finance not merely as a career path, but to uplift my family and empower those who, like me, are having to navigate the turbulent currents of financial instability.

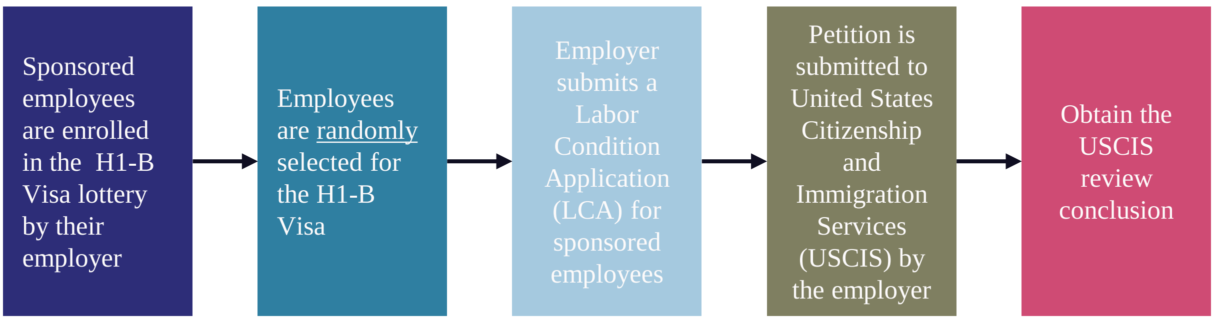
2025: "TAKE A CHANCE ON ME"

During my internship in the Summer of 2024, I accepted a job as a Financial Representative at Fidelity Investments as they decided to *Take A Chance On Me* by hiring me full-time. With bittersweet farewells to cherished friends in Mechanicsburg, I embarked on a seven-hour drive to Charlotte, North Carolina. As I searched for an affordable apartment near the heart of the city, I landed on Apartments[1]. I called up one of my friends in Charlotte and asked her to move in with me.

On January 1st while preparing to assume my role as a Financial Representative at Fidelity Investments, reflecting on the ambitions charted in my financial plan from the previous year's CFA Financial Plan competition:

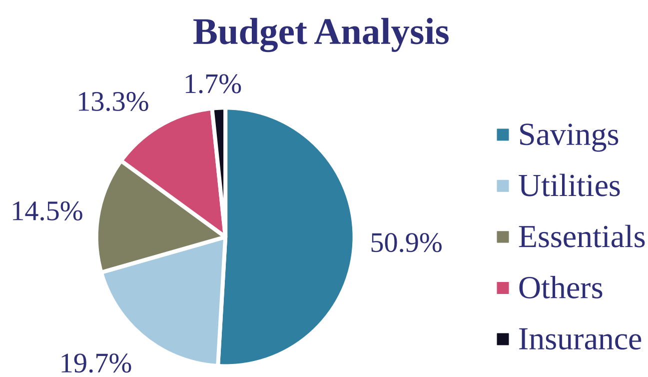
In the inaugural year of my financial journey, I prioritize disciplined budget adherence as the cornerstone of my strategic plan. Detailed in the Budget portion on page 6, this blueprint reflects my commitment to prudent fiscal management. Concurrently, I embark on a proactive savings and investment regimen. To my delight, I found out that international students who are on Optional Practical Training can invest in a 401(k)[2] and Roth IRAs[3].

Furthermore, I am diligently pursuing the necessary procedures for securing an H1B visa, essential for my continued professional endeavors in the United States for immigrants. Here’s the simplified version of the application process[4]:



Though the outcome of this application is based on *chance*, I am willing to risk it to pursue my dream of living in the United States.

When 2025 ends, I look at the pie chart of spending and reflect on all the goals I have achieved this year: discipline, savings which is 50.9% of my budget, and my H1-B Visa in hand.



2027: “VOULEZ-VOUS”

“Voulez-Vous” is French for “do you want to” and in 2027, I have 3 things that I really want to achieve or at least get started on:

Overcoming the hardest of my goals are over: building saving habits, graduating and getting my career started, and securing a H1-B Visa. If you have ever listened to upbeat “Voulez-Vous”, the tune describes how I feel about 2027: excitement and curiosity fuel my aspirations.

Ever since my sophomore year, the goal of obtaining the CFA designation has been a constant motivator. I thrive on embracing new challenges, and this is definitely one I would love to take on. As I progressed through my studies and gained practical experience through internships and coursework, the appeal of becoming a CFA charterholder only grew stronger. Fortunately, Fidelity Investments offers a Tuition Reimbursement Program that I'm eager to leverage[5].

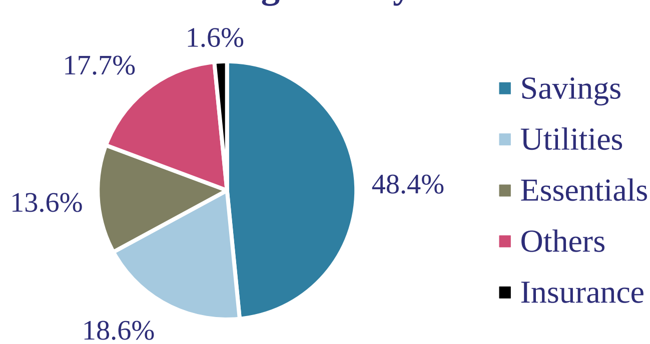
Now with a steady income, I'm committed to increasing my contributions to the church. My giving has been incrementally rising by 1%-2% annually and is set to jump to 4% the following year, growing alongside my income. See the Budget portion on page 6.

After months of diligent saving, I'm excited to fulfill a long-held dream: traveling to Rome, Italy. Picture me strolling through historic streets, marveling at iconic landmarks like the Colosseum and the Vatican. I can't wait to immerse myself in the vibrant culture, savoring authentic Italian cuisine and soaking in the rich history at every turn. From tossing coins into the Trevi Fountain to exploring hidden gems in charming neighborhoods, Rome promises an adventure filled with unforgettable moments and cherished memories. Join me as I embark on this journey of discovery and exploration in the Eternal City.

Above are the pictures that I would like to recreate on my trip to Italy!

Nothing really changes in my budget analysis for this year except that my spending in “Others” increases by 4.4% because that is where I budgeted for my vacation. Calculations for my budget is included in the Budget portion on page 6.

Budget Analysis



2029:"WHEN ALL IS SAID AND DONE"

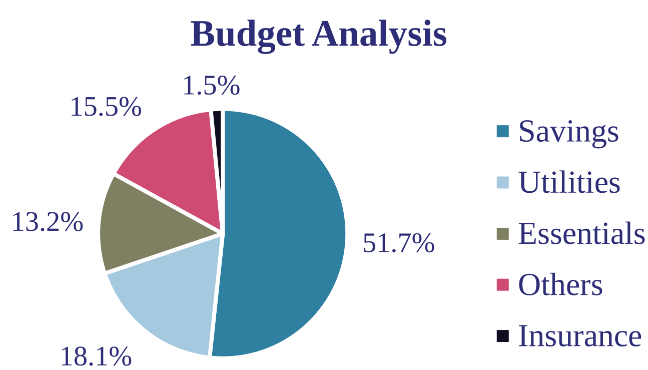
It's been five years since I last saw my family at my graduation in 2024, and the longing to reconnect grows stronger with each passing day. So, I've decided to dip into my travel fund and plan a trip home for a week. It's a simple gesture, but one that holds immense significance for me as I look forward to reuniting with loved ones and soaking up the familiar sights and sounds of home.

In addition to the trip, I'm also turning my attention to graduate school preparation. With the GMAT looming on the horizon, I'm diving into study sessions and weighing the pros and cons of further education at the age of 28. Thankfully, I'm planning to have my tuition fees covered mostly by Fidelity Investments, a benefit that will ease the financial burden of pursuing higher education.

Another one of my goals for this year is dedicating my time to volunteering for released prisoners in Charlotte, extending a helping hand to individuals seeking a fresh start post-incarceration. Through mentorship, support, and advocacy, I aim to empower them with the resources and guidance needed to successfully reintegrate into society and thrive.

My budget analysis for 2029 can be found on the graph on the right.

The next section of my financial plan will be more focused on the quantitative side of how I am going to make these goals come to fruition.



TAXES: "SLIPPING THROUGH MY FINGERS"

As Donna sings that her moments with Sophie are *slipping through her fingers*, so is my take home salary after taxes. My calculations for my taxes can be found in the following page. My salary is based on input from other employees who are or have worked for Fidelity Investments in the Charlotte Metro Area, NC[6,7].

	2025	2027	2029
Salary	**$64,303**	**$76,486**	**$84,778**
Less: Retirement (401k, 10%)	($6,430)	($7,649)	($8,478)
Standard Deduction	($12,750)	($12,750)	($12,750)
Taxable Income	**$45,123**	**$56,087**	**$63,550**
Federal	($5,426)	($7,392)	($9,034)
FICA - Social Security	($2,798)	($3,477)	($3,940)
FICA - Medicare	($654)	($813)	($921)
NC State Income Tax	($2,143)	($2,664)	($3,019)
Unemploment Insurance	($451.23)	($560.87)	($635.50)
Local , LST Meklenburg County	($902)	($1,122)	($1,271)
Total Taxes	**($12,375)**	**($16,030)**	**($18,821)**
Take Home Salary	**$51,928**	**$60,456**	**$65,957**

The standard deduction for the year 2023 for NC is $12,750[8] so I carried that forward to 2029. Next, the federal taxes were calculated based on tax brackets for single filers found in Appendix 1. Social Security, Medicare, NC state, unemployment insurance, and local taxes were 6.20%[9], 1.45%[10], 4.75%[11], 1.0%[12], 2.0%[11] respectively.

BUDGET: "THE WINNER TAKES IT ALL"

The Budget below is adjusted for inflation and the inflation rates can be found in Appendix 2

Budget (Monthly)			
	2025	2027	2029
Income	$4,327	$5,038	$5,496
Savings			
Retirement (401k)	($536)	($748)	($1,005)
Roth IRA	($583)	($583)	($583)
Emergency Fund	($433)	($504)	$0
Savings Account	($433)	($504)	($550)
Travel Fund	($219)	($183)	($837)
Utilities			
Rent	($646)	($671)	($698)
Cable[13]	($30)	($31)	($32)
Water, Gas, Electric[14]	($113)	($117)	($122)
Internet[15]	($20)	($21)	($22)
Cell Phone[16]	($15)	($16)	($16)
Subscriptions[17,18]	($26)	($27)	($29)
Insurance			
Auto	($67)	($70)	($73)
Renter's Insurance[19]	($4)	($4)	($5)
Essentials			
Groceries[20]	($300)	($312)	($324)
Eating Out	($80)	($80)	($80)
Clothes	($50)	($50)	($50)
Gas for car	($146)	($152)	($158)
Car Maintenance[21]	($50)	($52)	($54)
Others			
Vacation	$0	($283)	($173)
Church	($433)	($504)	($550)
Other unexpected costs (margin)	($130)	($126)	($137)
Other apartment fees[1]	($14)	$0	$0

For rent, see Appendix 3, other apartment fees includes the registration and deposit fee.

My auto insurance is based on my current rates and to see how I calculator gas for my car, see Appendix 3.

I budgeted for eating out once a week, $20 a meal and it is not adjusted for inflation because I want to focus on healthy eating.

Vacations in 2027 and 2029 are to Italy and Malaysia, respectively. See Appendix 3 for more details on cost.

I thought it was important to include margin and flexibility in my monthly budget so "Other unexpected costs" are 3% of my take-home salary.

INVESTMENTS: “THE NAME OF THE GAME”

All of these accounts and their calculations for ending values can be found in Appendix 2

Savings Account

I've opted for an aggressive stocks-only approach, viewing this phase of life—single and without dependents—as the perfect opportunity for high-risk, high-reward experimentation. While I'll focus solely on ETFs that follow stocks, I aim for some diversity within this asset class. Drawing from historical data, I've identified growth, value and international ETFs as key areas for investment. The calculations for the return rates for each ETF can be found in Appendix 4. The expected return was calculated as the sum of the product of the return rate of each ETF and the investment weight in my portfolio.

Name	Return Rate	Investment Weight	Expected Return
QQQ	20.55%	50.0%	15.7%
VOO	13.09%	30.0%	
VYM	9.89%	10.0%	
VXUS	5.01%	10.0%	

Emergency Fund & Travel Fund

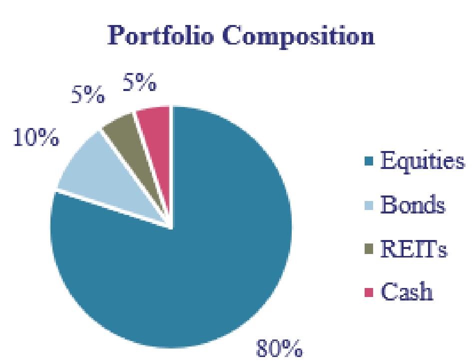
I need these accounts to be liquid and I want to take advantage of the current high interest rates. So, I put them in a high yield savings account: EverBank Performance Savings with a return of 5.15%[22]. The Travel Fund is highlighted purple for the $3,400 for the trip to Italy in 2027 and $2,073 for the trip to Malaysia in 2029.

Emergency Fund	2025	2027	2029
Beginning Balance	$0	$11,249	$24,239
Additional Capital	$5,193	$5,344	$0
Compunding	$5,193	$16,593	$24,239
Expected Return	$267	$855	$1,248
Ending Balance	**$5,460**	**$17,447**	**$25,487**

Travel Fund	2025	2027	2029
Beginning Balance	$0	$5,465	$8,065
Additional Capital	$2,628	$2,197	$10,041
Compunding	$2,628	$4,261	$16,034
Expected Return	$135	$219	$826
Ending Balance	**$2,764**	**$4,481**	**$16,860**

Roth IRA & 401(k)

I want to be aggressive in my investments for the first decade of my retirement accounts. The composition of my portfolio is shown on the left. I will assume an average market return of 10%[23] to be safe.



- **Equities**: I plan to invest in low-cost, broad-market index fund or ETF to gain exposure to the stock market's long-term growth potential.
- **Bonds**: I will also diversify the portfolio with investment-grade bonds or bond funds to add stability and income generation.
- **REITs**: I will also invest in Real Estate Investment Trusts for exposure to the real estate market and potential dividend income.
- **Cash**: Lastly, I will maintain a small cash allocation for liquidity and opportunistic investments.

RETIREMENT: "OUR LAST SUMMER" ☀

"*I can still recall our last* summer" as in my last summer when I planned for my retirement. As the song goes, I know that time will fly fast and by the time when I know it, I will be 60 years old. While retirement may seem like a distant horizon, I understand that early preparation is key to ensuring a comfortable and secure retirement lifestyle.

One of the fundamental principles guiding my retirement strategy is the concept of rebalancing. This entails periodically adjusting my investment portfolio to maintain a desired asset allocation. By regularly rebalancing, I can ensure that my investments remain aligned with my long-term financial goals while mitigating excessive risk exposure.

As I approach the age of 30, I plan to gradually transition towards a less aggressive investment approach. This means reducing the proportion of equities in my portfolio and increasing allocations to more conservative asset classes such as bonds and real estate investment trusts (REITs). By doing so, I aim to strike a balance between growth potential and capital preservation as I progress through different stages of life.

Looking ahead to 2040, I envision a well-diversified portfolio composition consisting of 60% equities, 20% bonds, 15% REITs, and 5% cash. This allocation reflects a strategic blend of asset classes designed to provide both growth opportunities and income generation, ensuring a resilient and sustainable retirement portfolio.

In essence, my retirement planning journey is characterized by a proactive and disciplined approach, informed by the principles of rebalancing and gradual de-risking. By laying the groundwork today, I'm confident in my ability to achieve financial security and peace of mind in retirement.

POTENTIAL RISKS: "SOS"

Despite meticulous planning, financial endeavors are not without risks. Some risks include:

Uncertainty surrounding obtaining a **H1-B visa**, which could potentially disrupt career plans and income streams.

Inflation rates may surpass projections, eroding the purchasing power of investments and savings.

Aggressive **investment strategies** carry the inherent risk of market downturns, potentially leading to significant losses.

Economic conditions, including recessions or geopolitical events, could also impact financial stability.

The possibility of not achieving the **projected returns** due to unforeseen market fluctuations or poor investment decisions.

Unexpected expenses, health emergencies, and regulatory changes that may affect financial goals.

To counter these I will practice the diversification and regular reassessment of financial plans can help mitigate potential downsides and navigate uncertainties with resilience, and updating my financial plan annually to ensure that my goals and investment strategies remain aligned with my evolving circumstances and market conditions.

APPENDIX: "I'VE BEEN WAITING FOR YOU"

This is the part of the financial plan that I have been referencing all this while, that is why I related this song to *I've Been Waiting For You* from Mamma Mia 2.

Appendix 1: Taxes[24]

2025

Tax Rate	For Single Filers
10%	$0 to $11,600
12%	$11,600 to $47,150
22%	$47,150 to $100,525

Taxable Income *$45,123*

Tax Bracket	Tax Rate	Taxes
$11,600	10%	$1,160
$47,150	12%	$4,266
$100,525	22%	
Total Taxes		$5,426

2027

Tax Rate	For Single Filers
10%	$0 to $11,600
12%	$11,600 to $47,150
22%	$47,150 to $100,525

Taxable Income *$56,087*

Tax Bracket	Tax Rate	Taxes
$11,600	10%	$1,160
$47,150	12%	$4,266
$100,525	22%	$1,966
Total Taxes		$7,392

2029

Tax Rate	For Single Filers
10%	$0 to $11,600
12%	$11,600 to $47,150
22%	$47,150 to $100,525

Taxable Income *$63,550*

Tax Bracket	Tax Rate	Taxes
$11,600	10%	$1,160
$47,150	12%	$4,266
$100,525	22%	$3,608
Total Taxes		$9,034

Appendix 2: Accounts

Savings

Return 15.7%

	2025	2027	2029
Beginning Balance	$0	$13,011	$31,995
Additional Capital	$5,193	$6,046	$6,596
Compounding	$5,193	$19,057	$38,591
Expected Return	$815	$2,992	$6,059
Ending Balance	**$6,008**	**$22,049**	**$44,649**

Roth IRA

Max Yearly Cont. $7,000

Return[23] 10.0%

	2025	2027	2029
Beginning Balance	$0	$16,170	$35,736
Additional Capital	$7,000	$7,000	$7,000
Compounding	$7,000	$23,170	$42,736
Expected Return	$700	$2,317	$4,274
Ending Balance	**$7,700**	**$25,487**	**$47,009**

401(k)

Return[23] 10.0%

	2025	2027	2029
Yearly Contributions	$6,430	$8,981	$12,066
Match[25]	$257	$359	$483
	$6,688	**$9,340**	**$12,548**

Beginning Balance	$0	$16,145	$40,061
Additional Capital	$6,688	$9,340	$12,548
Compounding	$6,688	$25,485	$52,609
Expected Return	$669	$2,548	$5,261
Ending Balance	**$7,356**	**$28,033**	**$57,870**

Appendix 3: Inflation, Gas, Travel Expenses, and Rent Used For Calculations

	2025	2026	2027	2028	2029
Inflation Rate[26]	1.80%	2.00%	2.00%	2.00%	2.00%

Note: Projected inflation rate used as well as my own assumptions

	2025	2027	2029
Gas prices - $/mile[27]	0.69	0.71	0.74
Days I will Drive to Work	250	250	250
Miles driven per day	9.6	9.6	9.6
Miles driven per year	2400	2400	2400
Cost of gas per year	**$1,648**	**$1,715**	**$1,784**
Estimate for margin	$100	$104	$108
After margin	**$1,748**	**$1,819**	**$1,892**

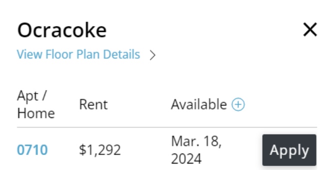
Note: Projected gas prices are from averages of previous years, I assume I will miss no days of work, and margin is adjusted for inflation.

2027: Italy

One week trip[28]	$1,300
Flight[29]	$2,100
	$3,400

2029: Malaysia

One week trip[30]	$573
Flight[29]	$1,500
	$2,073



Appendix 4: Investment Accounts

	Expected Return			
Year	**QQQ[31]**	**VOO[32]**	**VYM[33]**	**VXUS[34]**
2023	54.85%	26.32%	6.57%	15.88%
2022	(32.58%)	(18.19%)	(0.46%)	(16.09%)
2021	27.42%	28.78%	26.21%	9.00%
2020	48.62%	18.29%	1.14%	10.69%
2019	38.96%	31.35%	24.07%	21.75%
2018	(0.12%)	(4.50%)	(5.91%)	(14.43%)
2017	32.66%	21.77%	16.42%	27.45%
2016	7.10%	12.17%	17.05%	4.81%
2015	9.45%	1.31%	0.28%	(4.19%)
2014	19.18%	13.55%	13.52%	(4.74%)
Average Return	**20.55%**	**13.09%**	**9.89%**	**5.01%**

WORKS CITED: "SUPER TROUPER"

I added a song for this section because I thought it would be a good outro song. Thank you for taking your time to read my financial plan!

[1] https://www.beaconhillcharlotte.com/

[2] https://humaninterest.com/learn/articles/401k-foreign-nationals-permanent-resident-visa-holder/

[3] https://elgonfa.com/blog/roth-ira-demystified-answering-the-most-common-questions-on-the-account/

[4] https://www.visa2us.com/h1b-visa

[5] https://fmrbenefits.com/ManagedContent/Assets/File/1374527940/TuitionEmployeeManagerAgreement.pdf

[6] https://www.salary.com/research/salary/alternate/entry-level-financial-analyst-salary/charlotte-nc

[7] https://www.indeed.com/career/financial-analyst/salaries/Charlotte--NC

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[9] https://www.irs.gov/taxtopics/tc751

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[11] https://www.avalara.com/taxrates/en/state-rates/north-carolina/counties/mecklenburg-county.html

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[14] https://www.apartmentlist.com/renter-life/estimating-apartment-utilities-cost

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[24] https://taxfoundation.org/data/all/federal/2024-tax-brackets/

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[26] https://www.plan.be/databases/17-en-consumer_price_index_inflation_forecasts

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[28] https://www.budgetyourtrip.com/italy

[29] https://www.expedia.com/Flights

[30] https://www.budgetyourtrip.com/malaysia

[31] https://finance.yahoo.com/quote/QQQ/performance/

[32] https://finance.yahoo.com/quote/VOO/performance/

[33] https://finance.yahoo.com/quote/VYM/performance/

[34] https://finance.yahoo.com/quote/VXUS/performance/