Financial Advisor Project — Graded Sample Reports

This file shows you what the difference between a weak, a good, and an excellent Financial Advisor Project report actually looks like — on the **same household, section by section**. All three sample reports below respond to one original client family (the Nguyens) and follow the seven report sections required by the print book's project guide (Appendix G): budget analysis, debt management, emergency fund, education savings, housing, retirement, and charitable giving.

HOW TO USE (STUDENTS). Read the client profile first. Before reading any of the sample reports, sketch your own recommendations. Then read the three samples in order — weak, good, excellent — and score each one against the 24-point self-scoring rubric in the Report Template file before reading the grader's notes. If your scores land within 2–3 points of ours, you are calibrated. Then score your own sketch honestly.

HOW TO USE (TEACHERS). These are anchor papers. A high-leverage classroom exercise: hand out Report A and Report B *ungraded*, have students score them with the template rubric in pairs, then reveal the grader's notes. Students who have graded a vague report almost never write one.

The Client: The Nguyen Family

Household Overview

Composition. Tran Nguyen (34) and Mai Nguyen (33). One child: Liam (5), starting kindergarten this fall; he attends after-school care plus summer day camp.

Location. Grand Rapids, Michigan. Rent a 2-bedroom townhouse.

Income.

- Tran: HVAC service technician, **$58,000** gross annual. Employer 401(k) matches **50% of contributions up to 6% of pay**. Tran currently contributes only **2%** — he is capturing just a third of the available match.
- Mai: Medical billing specialist, **$46,000** gross annual. **No employer retirement plan.**
- Combined gross: **$104,000.**

- Combined take-home (after federal, Michigan state, FICA, family health-insurance premium through Tran's employer, and Tran's 2% 401(k) contribution): **$6,050** / **month.**

Monthly expenses (current).

Category	Amount	Notes
Rent (2-bedroom townhouse)	$1,550	
After-school care + summer camp fund (Liam)	$450	Needed for both parents to work
Groceries	$700	
Credit-card minimum payment	$120	Revolving balance below
Student loan (Mai)	$240	Minimum payment
Auto loan (Mai's SUV)	$335	
Auto insurance (2 vehicles)	$205	
Utilities + internet	$260	
Fuel / transportation	$190	
Cell phones (2 lines)	$110	
Streaming + subscriptions	$55	
Dining out + entertainment	$280	
Clothing + personal	$120	
Giving (church + local causes, informal)	$60	Ad hoc, not a planned line
Miscellaneous / unexpected	$175	
Total monthly expenses	**$4,850**	
Surplus	**$1,200**	

Balance sheet.

Asset	$	Liability	$
Checking (average balance)	$1,200	Credit card	$4,800 (23.4% APR)
Savings at credit union (0.4% APY)	$5,000	Student loan (Mai, federal)	$22,000 (5.5% APR)

Asset	$	Liability	$
Tran's 401(k) (target-date fund)	$18,000	Auto loan (Mai's SUV)	$13,500 (6.9% APR)
Mai — retirement	$0		
Tran's truck (2016, paid off, ~)	$9,500		
Mai's SUV (~)	$14,000		
Total assets	**$47,700**	**Total liabilities**	**$40,300**
Net worth			**$7,400**

Goals (from the initial consultation).

1. **Kill the credit card** — "it never seems to shrink."
2. **Buy a home** in about 5 years, in the **$260,000–$300,000** range.
3. **Start college savings for Liam** — they have nothing set aside.
4. **Fix retirement** — Tran feels behind; Mai has zero retirement savings and no employer plan.
5. **Make giving deliberate** — they give roughly $60 in a typical month, informally, and want it to be a planned part of the budget.

Risk profile. Self-described moderate. Tran's 401(k) is in a target-date fund.

Insurance. Family health/dental through Tran's employer (adequate). Auto on both vehicles; renters insurance included in the $205 bundle. Tran has employer group life of 1× salary ($58,000) only; **neither parent has individual term life — a gap with a young child**. Tran has employer long-term disability (60% of salary); **Mai has no disability coverage.**

Sample Report A — Weak (≈ 2/5)

Presented as submitted. Grader's notes follow.

> ### 1. Budget Analysis
>
> The Nguyen family makes good money but they spend a lot of it every month. They should track their spending and try to spend less, especially on eating out and subscriptions, so they have more left over for their goals.
>
> ### 2. Debt Management Plan
>
> They have three debts, which is a lot. They should pay off their debts as fast as possible, starting with the credit card because credit cards are bad debt. Once the debts are gone they will have much more money.
>
> ### 3. Emergency Fund
>
> Everyone should have an emergency fund. The Nguyens have some savings but they should save more in case something goes wrong, like a car repair or losing a job.
>
> ### 4. Education Savings
>
> College is very expensive, so they should start saving for Liam as soon as they can. A college fund would be a good idea. The earlier they start, the better.
>
> ### 5. Housing Plan
>
> Houses in their price range cost around $260,000–$300,000, so they will need a big down payment. They should save as much as possible over the next five years and buy when they feel ready. Buying is usually better than renting in the long run.
>
> ### 6. Retirement Strategy
>
> Tran should put more into his 401(k) because retirement is important. Mai doesn't have a retirement plan at work, which is a problem, so she should look into opening her own account. Time is on their side because they are still young.
>
> ### 7. Charitable Giving
>
> Giving to charity is a nice thing to do. They should keep giving what they can when they can afford it.

Grader's notes — Report A

Overall: ≈ 2/5. Template rubric ≈ 3/24. Appendix G rubric ≈ low 40s/100 ("Needs significant revision").

Template rubric row	Score	Why
Numbers from the household's data	0/3	The only number that appears ($260K–$300K) is copied from the goals list. No budget math, no APRs, no surplus.
Goals specific ($ + date)	1/3	Restates the goals; attaches no amounts or dates of its own.

Template rubric row	Score	Why
Recommendations map to goals	1/3	Sections loosely track the goals but say nothing actionable.
Trade-offs named	0/3	None. “Save more” for five goals at once *is* the unexamined trade-off.
90-day measure testable	0/3	Nothing here can be checked in 90 days.
Risk & insurance audit	0/3	Missing entirely — the term-life gap goes unmentioned.
Updated budget reconciles	0/3	No budget presented at all.
Risks / caveats	1/3	“In case something goes wrong” — generic, not specific to this household.

What kills this report: every sentence is a wish, not a recommendation. “Pay off debts as fast as possible” contains no dollar amount, no method, no order, no timeline. The family could read this report, agree with all of it, and have no idea what to do on Monday. Note also what it got *lucky* on — it picked the credit card first, but for the wrong reason (“credit cards are bad”), with no APR comparison, so it earns no method credit. The 401(k) match — the single highest-return move available to this household — is never discovered because the writer never looked at the numbers.

Sample Report B — Good (≈ 3–4/5)

Presented as submitted. Grader's notes follow.

1. Budget Analysis

I used the **50/30/20 FRAMEWORK**. The Nguyens take home $6,050/month and spend $4,850, leaving a **surplus of $1,200/month** (about 20% of take-home). Their needs — rent, childcare, groceries, utilities, transportation, insurance, and debt payments — total roughly $4,160, which is about 69% of take-home, well above the 50% guideline. This is mostly because of childcare and debt payments, so the family cannot realistically hit 50% needs. Wants are about $690 (11%). The main job of this plan is deciding where the $1,200 surplus goes.

2. Debt Management Plan

I recommend the **AVALANCHE METHOD** (highest interest rate first) because it minimizes total interest paid. The credit card at 23.4% APR is the clear first target — it charges more than three times the rate of either other debt. The family should put an extra **$300/month** toward the card on top of the $120 minimum, then move to the car loan (6.9%), then the student loan (5.5%). Paying $420/month, the $4,800 card balance would be gone in a little over a year.

3. Emergency Fund

Advisors recommend 3–6 months of expenses. The Nguyens spend $4,850/month, so they need **$14,550–$29,100**. They only have $5,000, which is not enough. They should save **$500/month** into the emergency fund and move the money to a high-yield savings account instead of the 0.4% credit-union account.

4. Education Savings

I recommend a **529 PLAN** because the money grows tax-free when used for education. They should contribute **$200/month** for Liam. Starting now is better than waiting until the debt is paid off because of compound interest.

5. Housing Plan

For a $280,000 home, a 20% down payment is **$56,000**, which avoids PMI. The family should save about **$300/month** toward the down payment. At a 6.75% interest rate, the mortgage payment on the remaining $224,000 would be about $1,450/month, which is less than their $1,550 rent, so buying makes sense.

6. Retirement Strategy

Tran is only contributing 2% and should raise it — maybe to 10% eventually. Mai has no plan at work, so she should open an **IRA** and contribute what she can afford. Starting early matters because of compound interest: money invested in your 30s has decades to grow.

7. Charitable Giving

The family gives about $60/month. Since money is tight, they should keep giving at about this level for now and revisit it once the credit card is paid off.

Grader's notes — Report B

Overall: ≈ 3–4/5. Template rubric ≈ 14/24. Appendix G rubric ≈ high 70s/100 ("Competent").

Template rubric row	Score	Why
Numbers from the household's data	2/3	Surplus, needs %, and APRs are real and correct. But the emergency-fund base and several recommendations are generic.
Goals specific ($ + date)	2/3	Dollar amounts mostly present; almost no dates ("eventually," "for now").
Recommendations map to goals	2/3	Most sections serve a named goal; retirement and education float ("what she can afford").
Trade-offs named	1/3	Only the giving section acknowledges a trade-off. Nothing else says what it gives up.
90-day measure testable	0/3	No section defines success at 90 days.
Risk & insurance audit	0/3	Missing. The term-life gap and Mai's disability gap are never mentioned.
Updated budget reconciles	1/3	**The recommendations overspend the surplus.** $300 debt + $500 emergency fund + $200 529 + $300 down payment = **$1,300/month against a $1,200 surplus.** Off by $100 — the plan is infeasible as written.
Risks / caveats	1/3	"Money is tight" — gestured at, never analyzed.

What separates this from excellent — four specific misses:

1. **It never finds the 401(k) match.** Raising Tran from 2% to 6% earns a guaranteed 50% return on every new dollar — the best deal in the entire household. "Maybe 10% eventually" walks straight past it.
2. **Wrong emergency-fund base.** The 3–6 month benchmark applies to *essential* expenses (~$4,160/month → $12,500–$25,000), not total spending. Using $4,850 inflates the target and steals $500/month from higher-priority uses. (Appendix G, Section 3, says this explicitly.)
3. **The math doesn't reconcile** ($1,300 allocated vs. $1,200 available), and the housing section doesn't check its own feasibility: $300/month for 5 years is $18,000 — nowhere near the $56,000 down payment it recommends. Two sections that contradict each other cost points on Appendix G rubric row 8 (internal consistency).
4. **No sequencing.** Everything starts at once at partial speed. A phased plan — card first, then redirect the freed payment — gets every goal funded *sooner*, as Report C shows.

This is the most common grade band for first drafts: real numbers, right framework, correct debt method — undone by a feasibility check the writer never ran.

Sample Report C — Excellent (≈ 5/5)

Presented as submitted. Grader's notes follow.

PREPARED FOR: Tran and Mai Nguyen **Engagement scope:** Comprehensive recommendation covering budget, debt, emergency savings, education, housing, retirement, insurance, and giving.

Client Snapshot

Item	Value
Gross household income	$104,000/year (Tran $58,000 + Mai $46,000)
Take-home pay	$6,050/month (after taxes, FICA, health premium, Tran's 2% 401(k))
Current surplus	$1,200/month
Total debt	$40,300 (card $4,800 @ 23.4%; student $22,000 @ 5.5%; auto $13,500 @ 6.9%)
Net worth	$7,400
Horizons	Card: ~1 year · Home: ~5 years · College: 13 years · Retirement: ~30 years

1. Budget Analysis

FRAMEWORK: 50/30/20 (needs / wants / savings-and-debt-beyond-minimums), chosen because the family's problem is allocation of a known surplus, not finding hidden leaks.

- **NEEDS: $4,160 = 69% OF TAKE-HOME.** Rent $1,550 + childcare $450 + groceries $700 + utilities $260 + fuel $190 + auto/renters insurance $205 + phones $110 + minimum debt payments $695.
- **WANTS: $690 = 11%.** Streaming $55 + dining $280 + clothing $120 + miscellaneous $175 + the informal $60 giving line.
- **SAVINGS/EXTRA DEBT: $1,200 SURPLUS = 20%.**

Needs sit 19 points above the 50% guideline, driven by childcare and $695/month of minimum debt service — both structural, neither wasteful. So this plan does **NOT** ask the family to slash needs; it makes the 20% work as hard as possible and sequences it in phases. All three phases below allocate against the post-401(k)-increase take-home of **$5,890/month** (see Section 6 for that change), leaving the base $4,850 budget intact.

2. Debt Management Plan

METHOD: AVALANCHE (highest APR first). Here the choice is easy to defend because avalanche and snowball agree — the 23.4% card is *both* the highest rate and the smallest balance, so the mathematically optimal target is also the fastest psychological win.

- **ACTION:** pay **$500/month** to the card ($120 minimum + $380 from the surplus).
- **MATH:** $4,800 at 23.4% APR (1.95%/month) at $500/month clears in **about 11 months**, costing ≈ **$570 in interest**. At the $120 minimum alone it would take ~**6½ years and ≈ $4,600 in interest**. This plan saves roughly **$4,000 and 5½ years**.
- **AFTER THE CARD (MONTH ~12):** do *not* avalanche into the 6.9% auto loan. At moderate rates, the emergency-fund gap and the dated house goal outrank extra principal. The auto loan retires on schedule in ~**46 months** and the student loan (5.5%, federal — keep its protections, do not refinance) in ~10 years.

Trade-off accepted: ~$1,000–$1,500 of extra auto-loan interest in exchange for hitting the emergency-fund and down-payment targets on time.

- **90-DAY MEASURE:** card balance below **$3,600** (from $4,800).

3. Emergency Fund

- **ESSENTIAL EXPENSES:** $4,160/month (the "needs" line above — housing, food, childcare, transport, insurance, utilities, minimum debt payments).
- **TARGET:** 3 months = **$12,500** as the floor now; grow toward 4–5 months (~$17,000–$21,000) before the home purchase, since homeowners absorb their own repairs.
- **GAP:** $12,500 – $5,000 current = **$7,500**.
- **ACTION:** this week, move the $5,000 from the 0.4% credit-union account to a **high-yield savings account at ~4% APY** (≈ $180 more interest in year one, growing as the balance does). Auto-transfer **$350/month** during Phase 1, rising to **$450/month** in Phase 2. The fund reaches ~$8,850 by month 11 and crosses **$12,500 around month 19**.
- **TRADE-OFF:** building the fund at $350 (not $500+) during Phase 1 accepts ~2 extra months of exposure in exchange for killing the 23.4% card 3 months sooner.
- **90-DAY MEASURE:** HYSA balance above **$6,050**.

4. Education Savings

- **VEHICLE: A 529 PLAN.** Contributions grow tax-deferred and withdrawals for qualified education expenses are tax-free; Michigan also allows a state income-tax deduction on contributions. A custodial account offers no tax shelter and becomes Liam's money unconditionally at adulthood; a Coverdell's $2,000/year cap is too low to matter here.
- **ACTION: $150/month starting in month 1**, automatic.
- **MATH:** $150/month at an assumed 7% average annual return for 13 years (Liam is 5; college at 18) ≈ **$38,000** — a large share of four years of in-state public tuition, before any aid or scholarships.
- **WHY NOT WAIT FOR DEBT-FREE:** waiting even 2 years costs roughly $7,000 of ending balance at the same contribution rate. $150 is small enough to run alongside the card payoff; the compounding clock matters more than perfect sequencing here.
- **TRADE-OFF:** $150/month not accelerating the card (≈ 1 extra month of card payoff) — accepted.
- **90-DAY MEASURE:** 529 open, $450 contributed.

5. Housing Plan

Target: a **$280,000** home (mid-range of their $260K–$300K bracket) at about the 5-year mark. Assumed rate: **6.75%, 30-year fixed**.

Scenario	Down payment	Loan	P&I	+ Tax (~1.25%)	+ Insurance	+ PMI (~0.5%)	Total monthly
20% down	$56,000	$224,000	$1,453	$292	$130	$0	**≈ $1,875**
5% down	$14,000	$266,000	$1,725	$292	$130	$111	**≈ $2,258**

Plus ~1%/year maintenance (≈ $230/month) that renters don't pay. Either way, ownership costs **$300–$950/MONTH MORE THAN THE $1,550 RENT** — the "mortgage is less than rent" comparison only works if you ignore taxes, insurance, PMI, and maintenance.

- **FEASIBILITY CHECK:** the down-payment fund (Phase 2: $250/month; Phase 3: $550/month; plus the freed $335 car payment from month ~46) accumulates ≈ **$31,000 by month 60** including HYSA interest. That is 5% down + closing costs (~3%, ≈ $8,400) with room to spare, or ~8–10% down if they stretch to month 66–70.
- **RECOMMENDATION: THE 5-YEAR TIMELINE, AT 5–10% DOWN, ACCEPTING ~$100/MONTH PMI** — or wait one more year for 10%+. A 3–4 year, 20%-down purchase is not feasible without gutting every other goal, and the higher monthly cost only fits the budget *because* by year 5 the card ($500/month) and car loan ($335/month) lines are gone.
- **90-DAY MEASURE:** down-payment sub-account opened (funding begins Phase 2, month 12).

6. Retirement Strategy

TRAN — CAPTURE THE FULL MATCH IMMEDIATELY (THIS IS THE PLAN'S FIRST MOVE, BEFORE ANY EXTRA DEBT PAYMENT).

- Raising his 401(k) contribution from 2% to 6% adds **$193/MONTH PRE-TAX**. Because it is pre-tax (≈ 16% combined federal + Michigan marginal rate), take-home falls only ≈ **$160/month** — from $6,050 to **$5,890**.
- The employer match rises from $48 to **$145/MONTH** — **$97/month of new free money, ≈ $1,160/year**. Every new dollar Tran contributes earns a guaranteed 50% match — no debt payoff or investment matches that return. Total flowing to his retirement: $435/month ($290 + $145), 9% of his pay.
- Long-term: push household retirement saving toward 15% of gross as debts fall away (Phase 3 and beyond).

MAI — OPEN A ROTH IRA.

- With no employer plan, an IRA is her vehicle. **ROTH OVER TRADITIONAL:** the household sits in a low marginal bracket now, so paying tax today and withdrawing tax-free in retirement wins; Roth contributions can also be withdrawn (not earnings) in a true emergency, a useful backstop.
- **ACTION: $150/month starting month 12**, rising to **$300/month at month ~20** ($3,600/year — well under the contribution limit), automatic, into a target-date fund.
- **THE COST OF WAITING:** $200/month at 7% from age 33 to 65 ≈ **$286,000**. Starting at 43 instead ≈ **$125,000**. The 10-year delay skips only $24,000 of contributions but forfeits ≈ **$161,000** of ending balance. That asymmetry is why Mai starts in month 12, not after the house.
- **90-DAY MEASURE:** Tran's paystub shows a 6% deferral; match posting confirmed.

7. Charitable Giving

- **RECOMMENDATION: FORMALIZE NOW, INCREASE LATER.** In Phase 1, convert the informal ~$60/month into a **dedicated $60/month budget line** (recurring monthly gift to their church, quarterly gift to a local cause) — a restructure, not an increase, so the budget total does not change. At month 12, when the card payment frees up, **raise giving to $100/month** as a planned use of that freed cash.
- **WHY:** giving is a stated value (Goal 5); a planned line survives tight months, while "what's left over" giving evaporates exactly when the card payoff gets hard. The one-year deferral of the increase is justified by the 23.4% APR — every dollar there compounds against the family.
- **CHOOSING ORGANIZATIONS:** concentrate on 1–2 organizations whose mission the family has vetted (impact, local presence, financial transparency) rather than scattering small gifts.

- **TAX REALITY:** at their income the family will take the standard deduction, so this giving produces **no federal tax benefit** — and the plan says so honestly. They give because of their values, not for a deduction they won't receive.
- **90-DAY MEASURE:** recurring $60/month gift active.

Risk and Insurance Audit

Risk	Covered?	Recommendation
Health / dental	Yes — employer family plan	No change
Auto + renters	Yes — $205/month bundle	No change
Life — Tran	**GAP** — 1× salary ($58K) is far below need with a child	**20-YEAR TERM, $500K, ≈ $30/ MONTH — BUY IN PHASE 1**
Life — Mai	**GAP** — none	**20-YEAR TERM, $500K, ≈ $25/ MONTH — BUY IN PHASE 1**
Disability — Tran	Yes — employer LTD 60%	No change
Disability — Mai	**GAP** — none	Price an individual policy (~$30/ month) at month 12
Identity / fraud	Not addressed	Freeze credit at all three bureaus this week (free)

The term-life purchases (**$55/MONTH COMBINED**) go into Phase 1 — insurance against the loss of an earner outranks every growth goal (the sequencing rule in Appendix G).

The Plan in Three Phases (allocation of the $1,040 post-401(k) surplus)

Monthly allocation	PHASE 1 (mo 1–11): kill the card	PHASE 2 (mo 12–19): fund the base	PHASE 3 (mo 20–60): build toward the house
Extra credit-card principal	$380	— (card paid off)	—
Emergency fund (HYSA)	$350	$450	— (target reached)
529 (Liam)	$150	$150	$150
Down-payment fund (HYSA)	—	$250	$550
Mai's Roth IRA	—	$150	$300
Term life (both, new)	$55	$55	$55
Mai disability (new, mo 12)	—	$30	$30

Monthly allocation	PHASE 1 (mo 1–11): kill the card	PHASE 2 (mo 12–19): fund the base	PHASE 3 (mo 20–60): build toward the house
Giving increase ($60 → $100)	—	$40	$40
Flex buffer	$105	$35	$35
TOTAL	**$1,040** ✓	**$1,160** ✓	**$1,160** ✓

Phase 2–3 totals are $120 higher because the card's $120 minimum leaves the base budget when the balance hits zero. From month ~46, the retired auto loan frees a further $335/month → down-payment fund. Every phase reconciles to take-home pay of $5,890: base expenses ($4,850 in Phase 1; $4,730 after the card dies) + the allocations above.

Risks and Caveats

1. **JOB LOSS DURING PHASE 1** is the plan's weakest moment — the emergency fund is still thin while the card payoff consumes the surplus. Trigger to revisit: either earner's income drops; the response is to pause the $380 extra card payment (not the minimums, not the match).
2. **A MAJOR CAR OR MEDICAL EXPENSE** above the flex buffer pulls from the HYSA and extends the timeline by 1–3 months. That is what the fund is for; the plan does not treat it as failure.
3. **RATE AND PRICE DRIFT ON THE HOUSE.** If rates exceed ~7.5% or the market pushes past $300K, the year-5 purchase slips to year 6. Trigger to revisit: rate-check at the month-36 review.
4. **RETURN ASSUMPTIONS** (7% average, HYSA ~4%) are long-run averages, stated not guaranteed; a weak market early mostly affects the 13- and 30-year goals, which have time to recover.

Next Review

90 days (card, HYSA, 529, paystub checks above); full plan review at month 12, when Phase 2 begins.

Grader's notes — Report C

Overall: 5/5. Template rubric 23–24/24. Appendix G rubric ≈ 95/100 ("Exceptional — could serve as a real financial plan").

What earns the grade — measured against the same rows where Reports A and B bled points:

- **Every recommendation has all four required parts** (action with $ + frequency + account; evidence from the household's own data; the goal it serves; the trade-off it accepts) — the structure the print book grades FRQ 2 against.
- **It found the match.** The 401(k) increase is the *first* move, correctly sequenced ahead of extra debt payments, with the take-home effect ($6,050 → $5,890) computed and then used consistently everywhere else.
- **Right emergency-fund base** (essentials $4,160, not total spending $4,850) — and the target itself adapts to the plan (3 months now, more before homeownership).
- **Every phase reconciles to take-home pay**, including the $120 that reappears when the card dies and the $335 when the car loan ends. This is Appendix G rubric row 8 (internal consistency) at full marks.
- **The housing section audits its own feasibility** — it computes what the fund will actually hold at month 60 (~$31,000) and picks the scenario that number supports, instead of recommending a $56,000 target the plan cannot fund.

- **The insurance audit exists** and is sequenced correctly: term life in Phase 1, priced, before growth goals.
- **It is honest where honesty costs something:** ownership beats rent only after counting PMI, taxes, and maintenance; the giving plan produces no tax deduction; the return assumptions are labeled as assumptions.

The one deduction a strict grader might take: the auto-loan interest cost of *not* avalanching (~$1,000–$1,500) is estimated, not computed month-by-month. The report states the assumption and the trade-off, which is why it loses at most a point.

Weak vs. Strong Evidence — Side by Side

The same six recommendations, in the words of Report A/B versus Report C. Every strong version has a number, a source in the household's data, a goal, and a consequence.

Recommendation type	Weak version	Strong, number-backed version
Emergency fund	"They should save more in case something goes wrong."	"Move the $5,000 to a HYSA at ~4% APY this week and auto-transfer $350/month until the fund reaches $12,500 — 3 months of the family's $4,160 essential expenses — around month 19."
Debt payoff	"Pay off the credit card as fast as possible because credit cards are bad."	"$500/month to the 23.4% card ($120 minimum + $380 surplus) clears $4,800 in ~11 months for ≈ $570 of interest; the minimum alone would take ~6½ years and ≈ $4,600. Avalanche and snowball agree on this target."
Retirement (the match)	"Tran should put more into his 401(k) because retirement is important."	"Raise Tran's deferral from 2% to 6% now: take-home falls ≈ $160/month, employer match rises $48 → $145/month — a guaranteed 50% return on every new dollar, ≈ $1,160/year of free money."
Education savings	"A college fund for Liam would be a good idea."	"$150/month into a 529 from month 1; at an assumed 7% return that is ≈ $38,000 by age 18, with tax-free withdrawals for qualified expenses and a Michigan deduction on the way in."

Recommendation type	Weak version	Strong, number-backed version
Housing	"Save as much as possible and buy when they feel ready."	"Fund $250 → $550/month; the account holds ≈ $31,000 by month 60 — 5–10% down + closing on a $280,000 home. Total ownership cost ≈ $2,260/month (P&I + tax + insurance + PMI) vs. $1,550 rent; feasible at year 5 only because the card and car payments are gone by then."
Charitable giving	"They should keep giving what they can when they can afford it."	"Formalize $60/month as a budget line now (no budget change — it's a restructure), raise to $100/month at month 12 from the freed card payment, and note honestly that the standard deduction means no federal tax benefit."

How to Avoid Vague Advice — The Six Tests

Run every recommendation in your report through all six. A recommendation that fails any test gets rewritten before you submit — this is the same four-part standard Appendix G sets ("Using Evidence in a Recommendation"), plus the two feasibility checks graders apply.

1. The number test. Does it state a dollar amount, a frequency, and an account or destination? *Fails:* "contribute more to retirement." *Passes:* "$150/month, automatic, into a Roth IRA target-date fund, starting month 12."

2. The evidence test. Does at least one number come from the household's *own* data — a balance, an APR, a budget line — not from a generic rule? *Fails:* "experts recommend 3–6 months of savings." *Passes:* "3 months of their $4,160 essential expenses = $12,500; they have $5,000, so the gap is $7,500."

3. The goal test. Does it name which of the client's numbered goals it serves? If you can't name the goal, the recommendation is serving your outline, not the client.

4. The trade-off test. Does it say what it gives up — slower progress on another goal, a lifestyle change, accepted interest or risk? *Fails:* silence. *Passes:* "building the fund at $350 instead of $500 accepts ~2 extra months of exposure to kill the 23.4% card 3 months sooner."

5. The feasibility test. Add up every monthly dollar your report commits, plus the household's existing expenses. Is the total ≤ take-home pay — in *every* phase, after every change your own plan makes (a 401(k) increase lowers take-home; a paid-off card raises the surplus)? Report B failed this by $100 and its grade capped there.

6. The next-step test. Is there something the client does *this week*, and a measurable check at 90 days? *Fails:* "look into opening an IRA." *Passes:* "open the Roth this month; 90-day check: three $150 contributions posted."

> **EXAM TIP.** Tests 1–4 are exactly the four-part structure FRQ 2's "make a recommendation" sub-parts are graded against. If your project report passes all six tests, you have already rehearsed the highest-value writing pattern on the AP exam.

Cross-References

- **Project guide, client profiles, full rubric:** print book Appendix G (Martinez family + Aiyana Begay worked example).
- **Blank report shell + 24-point self-scoring rubric:** this companion's Financial Advisor Report Template file.
- **More households to practice on:** this companion's Financial Advisor Profiles file (Vasquez, Delaney, Park-Hassan, Reid, with more in later releases).
- **FRQ 2 practice:** Appendix C Part 2, the Appendix E practice paper, and the companion's Extra FRQ Practice file.