

CASE STUDY

mid career

Sue

52 years old

Associate Director and
loves to travel



Goals and Concerns

Making sure she's doing everything she can to retire before 60 with the lifestyle she wants

At nearly her top earning potential, where should she be saving?

How can she best manage her taxes now while planning for taxes in the future?

Would love to feel more confident about the way she is investing



Concerned that she may be taking on unnecessary concentrated risk with her employer stock

Would like to know if there is a benefit to paying down the mortgage faster

How much is too much to have in cash?

Does she have appropriate insurance protection?

What should she do about health insurance in her early retirement years?

Mindset

Sue has been saving into her 401(k) and other investments for a long time and has accrued what she sees as a very sizable amount for retirement. A lot of that wealth is held through long term incentives she's acquired through her years of working at the same company – all linked to her company's stock price, which has concerned her for some time now. She would love more than anything to step away from work at or before 60 and continue through her bucket list of destinations around the world. She's saved a good amount in cash and is wondering if that would be better used to pay off her mortgage early or invest it.

Financial Planning 101

She decides to hire a CERTIFIED FINANCIAL PLANNER™ because she wanted to build a relationship with someone who would help her look at her entire financial picture and develop a plan around her financial goals and concerns. She quickly realizes some information, like running pension estimates and creating her account on the Social Security website are completely foreign to her. For the first time, she's able to get a second set of eyes on her entire financial picture. She anxiously describes the lifestyle she wants to live in retirement, potential roadblocks she fears could stand in her way, and her aspirations to give back.

A Better Way Forward

To her delight, Sue finds that her plan to retire in eight years and begin traveling the world is more than achievable – though not without some changes to what she's currently doing. After working through a risk assessment with her advisor, they put together a plan to realign her investments. Together, they found she was holding an excessive amount in cash due to the fear that her employer stock exposure was a significant risk. She's happy to implement a plan to reduce the amount of her employer stock as well as look at opportunities for excess cash, knowing that the plan addresses her concerns around taxes, risk and the unknown.

Sue learns she can save above the pre-tax employee limit within her 401(k) plan by making after-tax contributions – which creates a great tax-smart wealth-building opportunity for her

Following an insurance audit, she starts to implement a plan to reduce the amount of her life insurance while increasing her umbrella liability coverage

Her health insurance concern is extremely valid, but after walking through all the options available and at what cost, this is another expense she can plan for

Her biggest takeaway is knowing where she stands in relation to her goals and what she needs to do to accomplish them



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