



Case Study: Sarah

The thoughts don't come often, but they do come. What if?

About Sarah

Sarah (56) thinks she's doing OK. She's a Pharmacist (\$95K per year after tax), owns her home, there's alimony from her ex (\$5,000 per month) and her retirement savings (\$350K). But she knows she'll need significantly more to retire comfortably. With \$10K in cash savings, a little more "ready cash" would be nice too. It's just that in today's economy, it seems like anything can happen. Or not happen. Recently, Sarah's daughter, Liz (23), moved home after graduating college. Liz is trying to get her career going, but it's not easy. Sarah loves this mother/daughter time, but she's still covering Liz's expenses and health insurance. And when she looks ahead...well, sometimes she just stops looking and instead focuses on the good things. Sarah feels like she's planning and saving as much as she can. But sometimes she simply has faith that things are going to work out, right?

Before Liz moved back in, Sarah was concentrated on herself. Now Sarah struggles with how long she can support Liz's expenses. Because this is an uncertain time with Liz back in the house, Sarah would feel more comfortable knowing she can access some of her invested funds at short notice to cover the additional expenses.

Goals	Time Horizon
Support family (\$30,000 per year)	Current year – 2019
Help make sure my money doesn't run out in retirement (\$120,000 per year)	Current year – 2057
I'm thinking about my own long-term care needs (\$40,000 per year)	Current year – 2057

Considering the factors above:

- How would you assess and prioritize Sarah's goals to begin recommending a financial approach?
- How much money does Sarah need to begin pursuing these goals today?
- What potential strategy (ies) would you recommend to help pursue each goal?
- Should Sarah consider working longer before retiring?
- What would Liz do if Sarah were no longer earning an income?
- What tips/guidance would you provide Liz to better understand the true value of money in light of her current situation?
- Is there any other goal(s) you would recommend Sarah consider adding to her list of priorities?

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