Starting Out Case Study

Evan & Kaley Williams are in their late 20’s. Caleb is a software project manager for a healthcare company and Kaley works in development for a local non-profit. They recently found out that Kaley is pregnant with their first child and are considering buying their first home. Kaley is undecided if she is going to continue working after they have their child. They are frugal with their spending and have been able to stay out of consumer debt but don’t have any meaningful tracking plan in place. They both participate in their company retirement and benefit plans.

HERE ARE THEIR 3 MAIN CONCERNS:
1) How should they best plan to buy their first home?
2) Can they refinance their student loans?
3) What should they do financially to prepare for their first child?

HERE IS HOW WE WERE ABLE TO HELP THEM:

CASH FLOW OPTIMIZATION
Even though Evan and Kaley have done a great job with their cash flow, they don’t actually use a formal budget and have no idea what they spend money on. We helped them put together a realistic plan that focused primarily on optimizing their discretionary spending by both setting goals and tracking their progress.

BENEFIT & RETIREMENT PLAN COORDINATION
With both of them working and participating in their respective company benefit plans, it was clear that they were not optimizing their benefits by coordinating which plans offered the best benefit per dollar. We analyzed all of their options and costs and recommended a plan on how to maximize their medical and retirement options.

PAYING OFF THEIR STUDENT LOANS
Combined, they owe $62,000 in student loans with the majority being federal loans and the rest private. We looked through the federal repayment programs and decided that it didn’t make sense for them to reduce their payments because of their solid household income. However, when Kaley decides on if she will return to work or not we will re-evaluate their situation. Finally, we helped them refinance their private student loans to reduce their interest rates and free up more cash for their other goals.

LIFE INSURANCE WITH UPCOMING CHILDBIRTH
Because of their young age and good health, we were able to shop around and find them excellent term life insurance rates. We also determined the appropriate benefit amounts based on their desire to be able to continue their lifestyle with raising their children if one of them were to pass away unexpectedly.