****Case Study (Next gen, one working)

**Title:** Saving for the future and for kids’ college funds

Jake and Christina Summers

**Quick Facts:**

* Jake and Christina Summers are in their 30s with two small children, both under the age of 7.
* Jake works outside of the home and Christina is currently a stay-at-home parent with the kids.

**Objectives:**

* The Summers want to make sure they are saving enough money for the future.
* Their savings includes general future needs, college for their three kids and retirement down the road.

**Background**

Jake and Christina Summers are in their mid-30s with two young kids, so they fall inside NextGen planning (link). Jake works outside the home, earning approximately $155,000 a year and Christina is a stay-at-home parent with their kids. The oldest kid is in 2nd grade at a public school and the other one is home with Christina all day. However, in the next 15-18 years, both of their kids will be in college and they need so be saving now to help prepare savings for that. They also want to make sure they have a rainy day fund. While they aren’t a paycheck-to-paycheck family, with one incomes and four people, they don’t have a lot of extra money at the end of each month. So they want to make sure they are saving in case something was to happen. The Summers also want to retire one day so they want to start planning for that.

**Challenges**

When you are young and healthy, it’s hard to consider that you need to have a rainy-day fund, college savings for kids in diapers and retirement planning – it all seems so far in the future. But saving and planning now and help you rest assured that your financial future is safe.

**Solutions**

By consulting with a CERTIFIED FINANCIAL PLANNER™ Professional the Summers were able to address several aspects of future planning. They created an investment strategy. Since they are relatively young, they can be a little more risk tolerant than our 50-forward crowd. Roth IRA accounts were set up for them.

Since the Summers have two children, setting up 529 college savings plans was a must for their family, but also reviewing their term life Insurance to ensure there was enough insurance coverage to cover their family should something tragic happen to Jake or Christina.

Lastly, Jake was able to get professional advice on his employer-based 401k savings plan, to make sure he started maxing out his contributions when his employer would match.

**Next Steps**

It will take several years to realize the Summers planning in measureable terms. However, early planning is what is key, especially when you have two young children. To help prepare for the near and far, the Summers should:

1. Create a Budget and work towards building 6-9-month emergency fund.
2. Speak with an attorney to draft estate planning documents. This is important to make sure in the event something tragic happens to Jake and Christina, that there is a plan in place to care for their children, along with a guardian who will be responsible for that care.
3. Review credit report to make sure they are not any errors on the credit reports.