

Case Study: Sara's Story

Sara is a divorced mother of two children- Caleb age 11 and Courtney age 9. Her divorce has been painful for her and the kids. Sara, now in her late 30's, had been a stay-at-home Mom since Caleb was born. She has had to go back to work since the divorce became final. It has been physically, mentally and emotionally challenging for Sara to juggle her new job and her responsibilities as a Mom. She does not make as much money as her former husband. Even with child support and her property settlement in the divorce, it has been hard for her to get used to the fact that she cannot maintain the same lifestyle as when she was married. She feels much less secure than she used to. Sara finds herself saying no to her children a lot more often these days when it comes to purchases and extracurricular activities. She hates the feeling of disappointing her children and she feels guilt over the failure of her marriage which makes matters worse.

Bill, Sara's ex-husband, used to handle all of their finances and investments. As a result, she barely knew the adviser that was currently managing her accounts. She wanted a fresh start with a new adviser that is not also working with Bill. She felt in her heart that she needed to take action, but didn't know where to turn to find someone competent, trustworthy and patient in helping her to understand things that are all new to her. Bill was always a bit of a risk-taker when it came to investing. Sara is much more conservative. She didn't know how to evaluate whether the current investments in her portfolio were too risky for her liking.

Like any good Mom, Sara was very concerned about the impact of the divorce on her children. She wants her children to get a great education and a satisfying job after college. She is comfortable with the public schools they attend, but is concerned that she will not be able to afford the kids' college expenses, and doesn't want to rely on Bill to provide for the children's education.

Sara has hopes of finding someone to share in the rest of her life. Not only does she miss the love and companionship of a spouse, but it would help her to feel more secure about her financial future as well. She is not sure what retirement will look like if she ends up living alone. She wants to be self-sufficient and does not want to be a physical or financial burden to her children when they are married and raising children of their own...

Don's Comments:

As someone who has experienced divorce firsthand, I have tremendous appreciation for those that are dealing with the impact on themselves and their children. This allows me to be an exceptional listener and a source for understanding and validation of their feelings.

I find that divorce is particularly hard on women, many of whom must return to work and are the primary caregivers of their children.

Once Sara understood that I could be a help to her, we spent time discussing and formulating achievable goals for her retirement and the kids' college education. I helped her develop a personal spending plan that offered guidelines for spending and saving. She immediately felt more in control of her finances. We initiated regular monthly savings into accounts for the kids' college education, and purchased a low-cost term life insurance policy which would provide the funds for college if anything unforeseen happened to Sara.

I worked with Sara's former adviser to help transfer her accounts. As a result, Sara didn't have to make the awkward phone call to share her decision to change advisers. After walking her through a quiz to understand her risk tolerance, educating her on available investment options, and reviewing some historical performance, she felt comfortable in making a well informed decision.

Sara needed to continue to save for her retirement. We evaluated the options available to her, both through her new employer and through our firm, and developed a plan that would allow her to live independently if Mr. Right did not happen into her life.

Sara has now been dating Mike for nearly two years. Mike has also been married previously and he has two children of his own. They recently visited with me with news that they were planning their wedding (!), and we have begun working on how to help them best manage financial decisions of their soon-to-be-blended family.

Helping people to consider and identify their concerns and goals, and then devise a plan to fund and address them, is the focus of my work. It would be my pleasure to work with you. Visit www.spectrumwealthmgmt.com to get started.

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