

Diane



Top Concerns

LONG-TERM RETIREMENT PLANNING/CASH FLOW

From where should I draw income and how much per month?

What will I need to do to ensure I have enough in retirement?

How can I avoid a high income tax liability?

SOCIAL SECURITY

What Social Security benefits can I get for my sons and me?

HOME

Can I keep the house or do I need to downsize?

EDUCATION

What can I do to help my boys prepare financially for college?

Main Street Advisors, LLC

Diane's husband, Tom (age 46) dies unexpectedly in 2000, leaving her and their 3 boys, all under age 10. Diane is age 40 and has no idea what to do next. One of her primary concerns is maintaining a sense of familiarity and stability for her three sons. She is overwhelmed with grief and the reality that she will have to return to the workforce, navigate being a widow, while also being a devoted mom to her children. Having an adequate life insurance settlement of \$300,000 as well as her husband's 401(k), Diane knows she has some means to provide for her family but is unsure how to approach it. She hears of Main Street Advisors from a friend, and quickly reaches out to schedule a meeting.

How MSA Helped

After reviewing the assets, liabilities, cash flow and balance sheet, life insurance settlement, Social Security benefits, and Diane's overarching goals, the following recommendations were made:

- ◆ Advised client to pay off mortgage using savings to help with cash flow and allow the children to stay in the home throughout early childhood with intention of eventually selling and downsizing to replenish cash flow once again (House sold in 2015).
- ◆ Helped secure Social Security monthly benefits for client and her sons as well as advised her to draw from taxable investment accounts based on a tiered schedule from 2004 through 2019, gradually increasing over time to pay for living expenses.
- ◆ MSA carefully screened mutual fund managers to avoid high turnover rates and other fees, which helped Diane avoid capital gains and hold on to more of her money.
- ◆ Set up 529 accounts for each of the boys and funded them monthly.
- ◆ Helped Diane plan a career change, which required going back to school.

This client scenario is real, as are the strategies employed. However, the client's identity has been protected.