

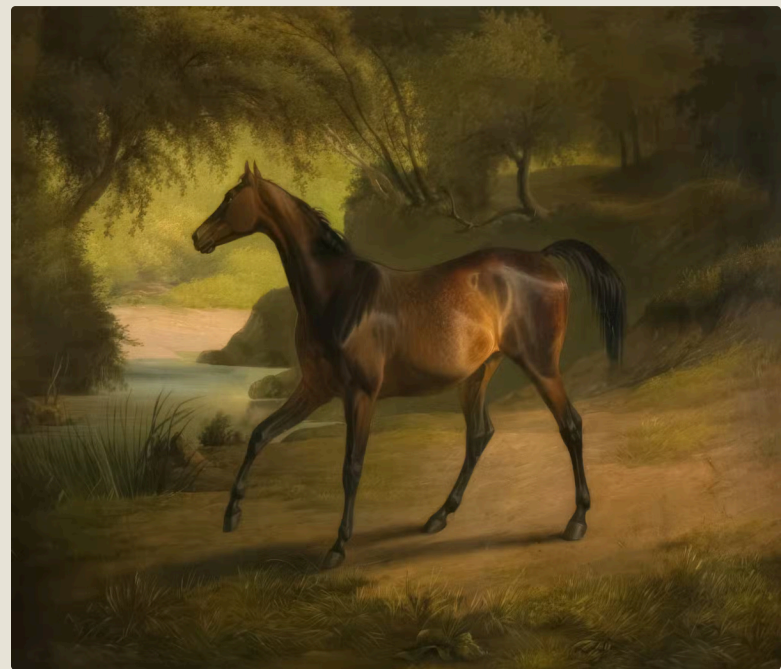
Tyler and Hannah's Journey

A Snapshot of Their Lives

- Tyler, 34, outside sales rep for a medical supply company
 - Base pay: \$92,000
 - Regular overtime brings him closer to \$105,000–\$110,000
- Hannah, 32, RN at a regional hospital
 - Salary: \$80,000
 - Average bonus: \$10,000–\$15,000 a year
- Two kids, ages 5 and 2, in daycare/after-school care
- Student loans: \$65,000 total at 4–6%, participating in the PSLF program with 23 months left.
- Savings: about \$25,000 in cash, around \$160,000 in workplace retirement accounts
- Renting now, want to buy a \$325,000–\$375,000 home in the next 2–3 years
- They save when they remember to, but there is no set system

Their Goal

- Better understand what their money is doing and
- Would like to save for a new house without it negatively affecting their current lifestyle



The Six-Step Planning Process

01

Discovery

- Clarified priorities:
 - Buy a home in their school district of choice
 - Keep retirement moving
 - Get breathing room in the monthly budget
- Agreed on a realistic “this feels comfortable” spending level and how much surplus they can live with.

03

Plan Development:

- Locked in a minimum emergency reserve target of 3–4 months of core bills before increasing investing further.
- Built a three-bucket monthly framework:
 - Core bills (housing, utilities, groceries, insurance)
 - Short-term (emergency fund, car repairs, small trips, upcoming school costs)
 - Long-term (retirement and a separate house fund)
- Set a target surplus of about \$3,500 per month, split as:
 - \$1,800 into a “Home Purchase” account
 - \$700 into emergency fund savings
 - \$1,000 into extra investing on top of workplace plans
- Home goal: roughly \$70,000 for down payment, closing costs, and a small cushion on a \$350,000 house.

05

Implementation:

- Set up automatic transfers on each payday into:
 - “Home Purchase” account
 - A separate savings account labeled “Emergency Fund”
 - An investment account
- Increased Tyler’s 401(k) and Hannah’s 403(b) contributions to hit the retirement savings rate they picked out.

02

Data Collection

- Collected pay stubs, daycare invoices, student loan statements, and retirement account statements.
- Reviewed a few months of checking and card activity to find their true monthly surplus after normal spending.

04

Presentation:

- Walked them through how each paycheck would be split under the new structure.
- Compared timelines & projections:
 - Buying in 2 years versus 3–4 years
 - How each path affects retirement projections and loan payoff
- Now comfortable knowing the cost/benefit of pushing the home timeline faster or holding off for later.

06

Ongoing Support:

- Quarterly check on:
 - House fund balance
 - Student loan progress
 - Any changes in overtime, bonuses, or daycare costs
- Annual review to adjust savings splits as daycare drops off and school starts.
- Updated Emergency Fund autopay to where the \$700 shifts to their investment account once the target amount is accomplished.
- Revisit home price range if interest rates or local housing prices shift.

Results After 18 Months

\$36K

Home Fund Balance

House fund: has about \$36,000 in it, with the projection pointing toward their target in just over 2 more years.

\$22K

Debt Paid Down

Loans: down from \$65,000 to roughly \$43,000.

15%

Retirement Savings Rate

Retirement savings: closer to 15% of income instead of under 10%.

They now have the peace of mind knowing how much they can comfortably spend whenever they want, and how that choice affects the rest of their plan.