



# CASE STUDY

SINGLE INDIVIDUAL

# CASE STUDY:

## SINGLE INDIVIDUAL



As you can imagine, working with a single income is more challenging, unless the income is quite large. This doesn't mean a cash flow plan can't work for a single client.

How can a cash flow plan work for a single client case? Take a look...

Do you think Cash Flow Planning isn't for you because you're single?

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Three years after her divorce Monica was still feeling the financial sting. She made good money and had a comfortable lifestyle but there never seemed to be enough left to make the now significant investment contributions she knew she had to make if she were ever going to retire.

She needed a cash flow plan.

### Here are the details:

- ▶ \$9,500 net monthly income
- ▶ \$9,400 monthly expenses
- ▶ Condo mortgage \$247,000



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MONICA SINGLE

Last Revised: 01-23-2014 12:31 AM GMT

Navigation icons: INCOME, DEBT, EXPENSE, CURRENT, UNIFICATION, THE GAP, FINAL, SUMMARY

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MONICA SINGLE		Annual Net Pay	\$114000.00
Take Home Pay	<input type="text" value="9500"/>		
Number of Pays Per Year	<input type="text" value="12"/>		
OTHER INCOME (MONTHLY)		Subtotal	\$0
Net Rental Income	<input type="text" value="0"/>		
Baby Bonus	<input type="text" value="0"/>		

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## WE USE OUR SOFTWARE TO GET THE NUMBERS

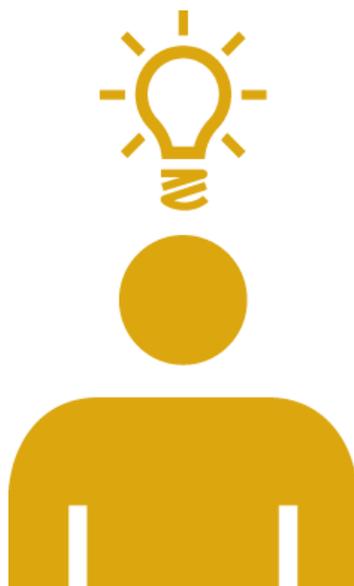


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CREDIT 1	\$15,000
LINE OF CREDIT	\$23,000
CAR LOAN 1	\$34,000
TOTAL DEBT	\$72,000

STARTING TO GET THE PICTURE?



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Monica said she was only spending \$9,400 a month. That's 98% of her income, which isn't good. If you examine the evidence, you can see she's actually spending more than \$9,400 per month—considering that she'd accrued credit card and line of credit debts.

She got a healthy settlement in the divorce but it was nothing compared to being part of a two-income household with two strong professional salaries coming in. While she made a significant down payment on her condo she's continued to overspend on a regular basis and is beginning to feel trapped.

Think about  
how this  
would effect  
your plans.

TOTAL DEBT	\$314,000
TOTAL DEBT WITHOUT MORTGAGE	\$72,000
TOTAL MONTHLY PAYMENT	\$1,200.00

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A cash flow plan helped Monica regroup, and here are the results:

# “UNIFY HER DEBT! UNIFICATION IS KEY.”

- ▶ Monica unified her debt by refinancing her condo and paying off her credit card and line of credit. But she had to change her spending to get any real value from doing this.
- ▶ For the last three years Monica has been consistently on track to have all of her debt paid off in 11 years and could save as much as \$98,000 in interest in the process.
- ▶ Thanks to the change in the structure of her spending, Monica was able to still enjoy her lifestyle while directing \$2,000 a month toward savings and investments.

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Value of Cash Flow Plan  
**\$280,000.00**  
Over 11 years

### SHORT-TERM GOALS

Short term goals are a very important part of a cash flow plan. People can more easily focus on spending changes when they relate to shorter-term goals.

### HARNESS THE POWER

Cash flow is your financial power and it touches every aspect of your life. Without a cash flow plan your finances will never reach full potential.

We Know Monica can do this!

While change is challenging, we know anything worthwhile requires effort.

All recommendations in a cash flow plan are made understanding how people behave with money.

The plan focuses a person on what they *can* have, rather than what they cannot.

### ACTION ITEMS

1. Consult the CCS™ Directory and find a Certified Cash Flow Specialist in your area!

Monica's cash flow plan got her ahead by over \$280,000 over the next 11 years. That's like finding an extra \$25,000 after tax per year. Monica now feels in control and knows she can manage her single-income.

One day if she becomes part of a double-income household again she'll know how to make the most of that too!

Meaning, a Cash Flow Plan found nearly \$2,100 a month to help this client fund her plan, but the total found money would be closer to \$280,000.