



YOUR CURRENT SITUATION.

Jeff is working extended shifts in the ER and is having to self-quarantine away from Anne and the kids when home. Everyone is healthy at the present time, but there are concerns you are responding to.

The Emergency Physicians Group has had to reduce compensation to account for changes in revenue and costs, resulting in a 28% pay cut for Jeff, which is anticipated to remain unchanged for 2020. You have taken time to create a budget, examined your expenses, and reduced a number of expenses. For the moment, you are comfortable with your cash flow, but feel a need to further reduce your debt levels, while balancing this with preserving cash reserves.

You are eager to take advantage of the market decline, but the change in cash flow is making additional contributions difficult.

THE NEXT ACTIONS TO TAKE.

You have just completed refinancing your mortgage to 15 years at 2.375%, which will free up approximately \$200 per month in cash flow.

Your cash reserve balance is currently \$74,000, and the plan is to take \$14,000 of these funds to pay off your car loan completely. This will free up an additional \$640 per month, and leave you with \$60,000 in reserve which is just over 6 months of non-discretionary living expenses based on your new budget.

This newly freed-up cash flow of \$840 per month will be redirected to pay down your remaining student loans. The loan balance is \$65,000 and you will be completely debt-free in just under 3 years with these additional payments.

529 Plan contributions for your children will be delayed until there is more certainty around your cash flow, possibly until 2021. If needed, savings can be shifted from your trust account before year-end to capture the maximum 529 tax credit.

Current monthly savings includes \$2,500 to your trust, \$500 to each IRA, and \$5,167 in monthly payroll contributions between the 401(k), Profit Sharing, and HSA plans. Your new budget allows you to continue these investments, accomplishing your goal of taking advantage of lower market prices.

THINGS THAT WILL LEAD US TO REASSESS.

Sometimes our roadmap becomes outdated, and we will need to repeat the process of assessing your situation, taking small actions, and resetting our course. If anything goes wrong, we'll talk about, think about it, and competently respond. Uncertainty is reality.

We will reassess for any changes that may have an impact on you financially, as often as they occur, and specifically for:

- Any further changes in Jeff's compensation, positive or negative.
- Next actions listed above that you are unable to take for any reason.
- Your next annual financial planning review in June 2020.