**Joneses family:**

Parents: John, 82 Jenny, 81 (Lives in Midwest)

Children: Jenna, 49 (Widowed) James, 47 (Married)

Grandchildren: Jonathan, 18 Jack, 16 Josie, 12

Income:

Joneses are now retired, John (retired at 63) a former human resources director, Jenny (retired at 62) was a former accountant.

* Both have pensions
* Both have social security benefits
* Annual income from social security is $65,000

**Assets:**

House: Two-story, four-bedroom single-family home.

Worth: $475,000 (paid off)

Peak: $575,000

Vacation Home:

Worth: $300,000 (paid off)

Peak: $400,000

Cash:

Worth: $250,000

Peak: $500,000

Debt: Property taxes

Worth: -$7000/year

**Investments:**

John’s brother helped set up a portfolio for retirement, now run by a large national discount broker.

Savings: Invested in a portfolio of mutual funds

Mutual funds: $250,000 (from cash)

* 30% domestic equities (Large & Mid-cap)
* 10% international equities
* 40% bonds (Treasuries & Corporate)
* 20% money market account

**Current Status:**

Until the Joneses reached their 80’s they had an active retirement.

* Take two major trips per year
* Spent summers in vacation home
* Volunteers in the community
* Plan to pay $10,000 in grandson’s college costs

**Challenges:**

Jenny has Emphysema, and has trouble climbing the stairs of home.

John has Alzheimer's, though it is still in the early stages.

1. Jenna is concerned if her father is still able to take care of his mutual fund portfolio.
2. Jenna wants to put her parents in an assisted-living community, however:
   1. Jenna doesn’t know how assisted-living communities work
   2. She doesn’t know how much they cost or if they can afford to pay
   3. She wants to sell the home to pay for the assisted living community.

**Possible Recommendations for the Family:**

Real Estate

* Priority: Move John and Jenny to an assisted-living facility
* Prepare house for sale with minor fixes
* Expected net profit after sale: $445,000

Income

* Current income: $65,000 from pensions, savings, and Social Security
* Potential income from the rental of vacation home
* drawing down investment principal for future expenses

Portfolio

* Current allocation: 40% stocks, 60% bonds
* Recommended shift to 20% equity, 80% fixed income
* Expected yield: 3% after management fees

Assisted Living

* Estimated cost: $5,000 to $6,000 per month
* Anticipated stay: 5 to 7 years or longer
* Expenses to increase as caretaking needs grow

Estate Planning

* Review wills and estate documents
* Update wills if needed
* Discuss inheritance wishes for children and grandchildren

Legal Documents

* Power of attorney for financial matters
* Health care power of attorney and living wills
* Standard wills and revocable living trusts for clarity and empowerment

Vacation Home

maintenance costs versus wider living options with sale proceeds

* John and Jenny's desire for the home to remain in the family
* Consider renting the vacation home to cover upkeep and taxes
* Possibility of using the vacation home as a source of funds for caretaking expenses, if needed

Jonathan's Education

* Consider the financial implications of supporting grandson Jonathan's college education
* Evaluate if pre-gifting to a Section 529 plan is still feasible

Daily Bill Paying

* online bill-paying service for convenience and organization
* electronic bill storage and viewing for easier management