



CASE FACTS

Client: May, age 40

Circumstance: Husband Rob, 42, is battling cancer

Goal: Take control of family finances

Monthly net income:
(includes Rob's disability income)

Monthly expenses:

Assets:

Liabilities:

Case Study: May—illness wake-up call

*When it comes to saving and investing, women face specific challenges. Franklin Templeton Investments' **Own Your Future** program has been created by women for women to help you take charge of your financial well-being.*

Life-threatening illness can significantly change your financial outlook

PROPER PLANNING CAN ENSURE YOU'RE PROTECTED

A serious illness in the family brings a new urgency to the importance of being prepared. While your own life circumstances may differ from those of May, the steps required to take charge of her finances may apply to you.

May's story

When May's husband Rob was diagnosed with stomach cancer last year, she was shattered at the thought of losing him. At age 40, May had recently returned to the workforce after spending six years with their three young children and was still adjusting to the rigours of a full-time job as a payroll accountant for a national hotel chain (although it was a relief to be earning her full salary again). Rob was only 42, with a pack-a-day cigarette habit and a high-paying but stressful career as an air traffic controller.

Early detection and Rob's fighting spirit have driven the cancer into remission. Now that her husband's condition has improved, May is able to reflect more calmly on the situation. Although Rob has stopped smoking since receiving his diagnosis, there is a strong likelihood the cancer will return one day. May needs to plan for a financial future that may depend on her alone.

May's challenges

May needs guidance to ensure the financial security of her family, no matter what might happen to Rob in the future. She should plan for three possibilities:

- What if Rob cannot return to work? How can she make the best use of his disability payments and her income to support the family?
- Will money be available for expensive medical treatments if Rob's cancer returns?
- How can she provide continuity of lifestyle for herself and her children if cancer ever overcomes her husband?



May's strategy to gain control

May needs to ensure financial stability for herself and her family. In the short term, she needs to acquire a thorough understanding of her family's current financial situation.

STEP 1: Meet with her advisor.

May's financial advisor can help her determine her priorities in preparing for a worst-case scenario. Open communication is critical (please refer to *Working with Your Advisor*).

Topics for discussion could include:

- Establishment of a fund to provide extra money for Rob's health care and compensate for his lost income-earning power.
- Topping up of the household emergency fund (in the event May loses her income)
- RESPs for the children
- Updating insurance in light of Rob's chronic illness
- Strategies to strengthen her retirement/financial plan

STEP 2: Deal with immediate cash needs.

May should work with her advisor to prepare a household budget that provides for her family needs based on her income alone. At a later stage, development of a projected budget will help May understand how to support her family on her own. If Rob is able to work again, the extra income can be invested.

STEP 3: Take stock.

May needs to know about Rob's assets as well as her own. Using *Your Financial Checklist*, she can compile all important information and leave a copy with someone she trusts in case of emergency.

STEP 4: Develop a plan.

May's advisor can help her develop a comprehensive written financial plan that can be referred to periodically to help ease her financial concerns. It can be updated regularly to reflect changes in her husband's health status.

Own your future today.

Whatever your current life circumstances, now is the time to start taking control of your financial future. It's easier to manage your financial affairs and work on a financial plan if you have financial documents and information at your fingertips (please refer to *Working with Your Advisor* and *Your Financial Checklist*).



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