

## Case Study: Emma & Liam – Building a Financial Future

Emma (24) and Liam (25) recently graduated from Assiniboine College in Brandon, Manitoba. Emma completed a two-year diploma in Early Childhood Education and is now working full-time at a local daycare earning \$42,000 per year. Liam completed a Business Administration diploma and works as a member service advisor for a local credit union, earning \$48,000 per year. They've been together for four years and moved in together just over a year ago. They rent a modest two-bedroom apartment near downtown Brandon. While the apartment is functional and the rent is decent, Emma and Liam dream of having a place of their own one day.

Emma and Liam's journey began in college, where they met during a campus event. Their shared interests in community service and personal growth quickly bonded them. Over the years, they supported each other through late-night study sessions, celebrated each other's achievements, and navigated the ups and downs of student life together. Moving in together after graduation felt like a natural step, symbolizing their commitment to building a future together.

While their finances are relatively stable, Emma and Liam are starting to feel overwhelmed by their financial goals and obligations. They both have outstanding student lines of credit and recently began making minimum payments. Liam has a car loan for the used SUV he purchased to commute and visit family in a nearby rural town, while Emma is content to use public transit.

Despite their best intentions, they've accumulated some credit card debt—mostly from moving expenses and a trip they took to Calgary after graduation. That trip was a celebration of their hard work and a chance to explore a new city together, but it also added to their financial burden. They each opened a TFSA last year but haven't contributed regularly. Emma has \$1,500 in her TFSA, and Liam has \$1,000, both sitting in cash. They opened a joint high-interest savings account to start building an emergency fund but haven't contributed more than a few hundred dollars. As for someday owning a house, they don't know where to start this process. They understand the down payment requirements but struggle to determine the best way to save for this.

They don't have children, aging parents, or dependent family members. Their health is good, and their employment appears stable. They're comfortable talking about



money and consider themselves “somewhat informed” about budgeting and investing. They’ve watched some financial YouTube videos and follow a few influencers on social media, but they’ve never spoken with a financial advisor.

Emma and Liam often spend their evenings discussing their dreams and aspirations. They envision a cozy home where they can host friends and family, a backyard for a future dog to play in, and a life filled with travel and new experiences. They’d like help creating a plan. They’ve identified the following goals but aren’t sure where to start:

- Pay off their credit card and student line of credit debt
- Build an emergency fund
- Start saving for a down payment on a home
- Begin saving for retirement

They want to be financially responsible but also enjoy their twenties. They’d like to continue eating out once in a while, taking short road trips, and saving for a future dog adoption. Emma and Liam cherish their spontaneous weekend getaways to nearby towns, where they explore local cafes and hiking trails. They enjoy trying new cuisines and occasionally treating themselves to a fancy dinner. They dream of adopting a playful dog, envisioning long walks in the park and cozy evenings at home. Balancing their financial goals with these simple pleasures is important to them, as they believe in living a fulfilling life while planning for the future.

Your task is to assess their current financial situation and make recommendations on budgeting, borrowing, and investing strategies that will help them reach their short- and long-term goals.

### Emma & Liam – Monthly Cash Flow Statement

Category	Item	Amount (Monthly)
<b>Income</b>	Emma's Net Income	\$2,650
	Liam's Net Income	\$3,000
<b>Fixed Expenses</b>	Rent	\$1,400
	Car Loan Payment (Liam)	\$450
	Transit Pass (Emma)	\$95
	Cell Phone Plans (2 lines)	\$130
	Internet	\$100
	Streaming Subscriptions	\$45
	Credit Card Payment (minimum)	\$60
	Student Loan Payments (minimums)	\$300
	Insurance (Car, Tenant, etc.)	\$225
<b>Variable Expenses</b>	Groceries	\$700
	Dining Out / Takeout	\$250
	Entertainment	\$350
	Personal Care / Misc.	\$100
	Gifts & Occasional Travel	\$100
	Gas	\$200
<b>Savings &amp; Investments</b>	TFSA Contribution	\$150
	Emergency Fund (High-Interest Acct)	\$200

### Emma & Liam – Personal Net Worth Statement

Category	Item	Amount
<b>Assets</b>	Chequing Account Balance	\$1,200
	TFSA's (Cash - not invested)	\$2,500
	Joint Emergency Savings	\$1,000
	Car (Liam's, market value)	\$14,000
	Furniture & Electronics	\$2,000
	Cash on hand	\$1,700
<b>Liabilities</b>	Credit Card Balance. Limit \$5,000. 19.99%	\$3,000
	Student Line of Credit (Emma). Prime +1.5%	\$9,000
	Student Line of Credit (Liam). Prime +1.5%	\$6,500
	Car Loan. 10.25%	\$17,000