

## Recovery After Disaster: The Family Financial Toolkit Case Study #1 – Joe Singleton

Joe Singleton is a 30 year old construction worker. He earns \$18 an hour and typically works 10 months of the year. He receives unemployment for the remaining two months. His average monthly net income is approximately \$2145. He has been renting a mobile home in his hometown, a small rural community where his parents and siblings also live. Joe's son lives with his ex-wife in the next town ten miles away.

Joe's community was struck by a tornado two days ago. The mobile home he was living in was destroyed in the storm. He lost all of his possessions. He has spent the past two nights at his parent's home but realizes that will not be a long term solution. Joe had renters insurance. The community was not declared a national disaster area.

### Processing Questions

1. What are the main challenges this individual/family is facing?
2. Which tools from the *Recovery after Disaster: the Family Financial Toolkit* would be helpful to the individual/family in this case study?
3. What decisions do they need to make?
4. What resources do you suggest they explore?
5. Given their stage in the life cycle, what special considerations might they need to think about?
6. What additional information is needed and/or what additional resources/ tools might be helpful to this individual/family as a course of action is determined?
7. Identify a plan of action for this individual/family. (Explore several alternatives)



## SPENDING PLAN

Month: July Year: 20XX

Name: Joe Singleton

Household: # of Adults 1 # of Children 0

EXPENSE CATEGORY	MONTHLY SPENDING
<b>HOUSING:</b>	
Rent	300.00
Second Mortgage	
Heat	200.00
Electricity	60.00
Water, Sewer	
Garbage	
Telephone (land)	
Cell Phone	50.00
TV/Cable	55.00
Internet	30.00
Renter's Insurance	10.00
Property Taxes	
Other - lot rent	250.00
<b>FOOD:</b>	
Groceries	200.00
Eating Out	160.00
School Lunch	
Other food	
<b>TRANSPORTATION:</b>	
Gas	90.00
Vehicle Maintenance/Oil	75.00
Vehicle Payment(s)	300.00
Vehicle Insurance	125.00
Other -	10.00
<b>HEALTHCARE:</b>	
Health Insurance	110.00
Prescriptions	5.00
Over-the-Counter	10.00
Life Insurance	
Other – eye/dental	40.00
<b>SAVINGS:</b>	100.00

<b>PERSONAL:</b>	
Clothing	100.00
Clothing Care	20.00
Personal Care	30.00
Child Care	
Diapers, Supplies	
Child Support	325.00
Child Allowances	
School Activities	
Education	
Household Items	40.00
Gifts	25.00
Entertain/Recreation	80.00
Vacation	60.00
Pets	
Personal Spending	175.00
Contributions/Dues	
Debt Payments	443.00
Other (cigs, etc.)	150.00
<b>TOTAL MONTHLY EXPENSES</b>	<b>\$3,628.00</b>

INCOME SOURCE	MONTHLY NET INCOME
Construction work (10 months) + Unemployment (2 months) ÷ 12 months = monthly average	2,145.00
<b>MONTHLY AVG NET INCOME</b>	<b>\$2,145.00</b>

<b>MONTHLY SUMMARY</b>	
<b>Net Monthly Income</b>	<b>\$ 2,145.00</b>
<b>Monthly Expenses</b>	<b>\$ 3,628.00</b>
<b>Balance</b>	<b>\$ - 1,483.00</b>

## DEBT WORKSHEET



Name: Joe Singleton

CREDITOR	BALANCE	MONTHLY PAYMENT
Visa Credit Card	\$6,600.00	\$198.00
Best Buy Credit Card	\$685.00	\$25.00
Menards Credit Card	\$400.00	\$20.00
Attorney fees (divorce)	\$1,000.00	\$50.00
Snowmobile loan	\$8,000.00	\$150.00
<b>TOTALS</b>	<b>\$16,685.00</b>	<b>\$443.00</b>

## Recovery After Disaster: The Family Financial Toolkit Case Study #2 – The Older Family

Mr. & Mrs. Older have been enjoying their retirement years in beautiful Sunnyville, a rural community with a population of 5,000. In their 80's, Ole and Olive are healthy and live independently in the home they raised their children in. They are fortunate that their family lives in the same town, so their grandchildren and great grandchildren help out with the lawn mowing and snow removal. They enjoy the community's beautiful parks, attending the Art Council's concert series, attending various athletic and fine arts events at the high school as well as visiting with neighbors and friends. The Olders receive income from Social Security, investments, VA retirement and rental income.

Sunnyville was devastated by a flood. The Older's home received extensive damage and is not habitable until major repairs are done in the basement and on the main level. The Olders did have homeowners insurance, but no flood insurance. They no longer have a mortgage on the property. The equity in the home prior to the flood was \$180,000. As a result of the flood, the President declared their community a National Disaster.

### Processing Questions

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4. What resources do you suggest they explore?
5. Given their stage in the life cycle, what special considerations might they need to think about?
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7. Identify a plan of action for this individual/family. (Explore several alternatives)



## SPENDING PLAN

Month: July Year: 20XX

Name: Ole & Olive Older

Household: # of Adults 2 # of Children 0

EXPENSE CATEGORY	MONTHLY SPENDING
<b>HOUSING:</b>	
Mortgage	Paid off
Second Mortgage	
Heat	130.00
Electricity	85.00
Water, Sewer	45.00
Garbage	
Telephone (land)	60.00
Cell Phone	
TV/Cable	35.00
Internet	
Property Insurance	75.00
Property Taxes	85.00
Other - maintenance	100.00
<b>FOOD:</b>	
Groceries	325.00
Eating Out	140.00
School Lunch	
Other food	
<b>TRANSPORTATION:</b>	
Gas (1 vehicle)	50.00
Vehicle Maintenance/Oil	75.00
Vehicle Payment(s)	
Vehicle Insurance	80.00
Other - license tabs	10.00
<b>HEALTHCARE:</b>	
Health Ins. – suppl.	100.00
Prescriptions	70.00
Over-the-Counter	20.00
Life Insurance	
Other- eye/dental	65.00
<b>SAVINGS:</b>	

<b>PERSONAL:</b>	
Clothing	50.00
Clothing Care	10.00
Personal Care	100.00
Child Care	
Diapers, Supplies	
Child Support	
Child Allowances	
School Activities	
Education	
Household Items	40.00
Gifts	100.00
Entertain/Recreation	100.00
Vacation	100.00
Pets	20.00
Personal Spending	80.00
Contributions/Dues	125.00
Debt Payments	75.00
Other - pipe	45.00
<b>TOTAL MONTHLY EXPENSES</b>	<b>\$2,395.00</b>

INCOME SOURCE	MONTHLY NET INCOME
Soc. Security: 1100 + 550 – 180 MA premium	1,470.00
Investment Income	1,000.00
Rental prop. income -taxes & ins	300.00
VA retirement	600.00
<b>TOTAL MONTHLY NET INCOME</b>	<b>3,370.00</b>

<b>MONTHLY SUMMARY</b>	
<b>Net Monthly Income</b>	<b>\$ 3,370.00</b>
<b>Monthly Expenses</b>	<b>\$ 2,395.00</b>
<b>Balance</b>	<b>\$ + 975.00</b>



## Recovery After Disaster: The Family Financial Toolkit Case Study #3 – Clara Larson

Clara Larson, a 62 year old retired school teacher, lives in a small logging community on the Minnesota – North Dakota border. Her husband passed away unexpectedly three years ago. Last month Clara sold their home and moved into a new ground floor apartment with her 8 year old dog Lucky. Clara was relieved to not have to worry about the upkeep of the home anymore. She has invested the \$80,000 from the sale of the home and draws a small income from the investment each month. Clara's three children are scattered around the country and come visit only once or twice each year.

Clara has diabetes and receives dialysis three times per week (3 ½ hours each time) in a neighboring town 25 miles away. She is still healthy enough that she can drive herself each day. Clara takes several prescribed medications and has a close relationship with her pharmacist. She is on Medicare and has a secondary health insurance policy. Clara loves her community. She knows everyone and everyone knows her since she taught in the community for 30 years. She is involved in her church, a quilting group, and a professional women's organization.

Last week a portion of the town was overcome by a forest fire. Clara's apartment was destroyed while she was away. Her dog Lucky perished in the fire. Clara had an appointment with her insurance agent to set up her renters insurance policy the day after the fire struck, so she did not have coverage at the time of the disaster. Her car was also destroyed.

### **Processing Questions**

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4. What resources do you suggest they explore?
5. Given their stage in the life cycle, what special considerations might they need to think about?
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7. Identify a plan of action for this individual/family. (Explore several alternatives)



## SPENDING PLAN

Month: July

Year: 20XX

Name: Clara Larson

Household: # of Adults 1 # of Children 0

EXPENSE CATEGORY	MONTHLY SPENDING
<b>HOUSING:</b>	
Rent	650.00
Second Mortgage	
Heat	
Electricity	100.00
Water, Sewer	
Garbage	
Telephone (land)	45.00
Cell Phone	
TV/Cable	45.00
Internet	35.00
Renters Insurance	
Property Taxes	
Other - maintenance	
<b>FOOD:</b>	
Groceries	185.00
Eating Out	120.00
School Lunch	
Other food	
<b>TRANSPORTATION:</b>	
Gas (1 vehicle)	100.00
Vehicle Maintenance/Oil	65.00
Vehicle Payment(s)	225.00
Vehicle Insurance	87.00
Other - license tabs	10.00
<b>HEALTHCARE:</b>	
Health Ins. (Medicare & secondary policy premiums)	300.00
Prescriptions	15.00
Over-the-Counter	10.00
Life Insurance	40.00
Other- eye/dental	65.00
<b>SAVINGS:</b>	

<b>PERSONAL:</b>	
Clothing	45.00
Clothing Care	15.00
Personal Care	65.00
Child Care	
Diapers, Supplies	
Child Support	
Child Allowances	
School Activities	
Education (Senior College)	50.00
Household Items	30.00
Gifts	55.00
Entertain/Recreation	60.00
Vacation	50.00
Pets	50.00
Personal Spending	40.00
Contributions/Dues	200.00
Debt Payments	50.00
Other - (cigs, etc.)	20.00
<b>TOTAL MONTHLY EXPENSES</b>	<b>2,827.00</b>

INCOME SOURCE	MONTHLY NET INCOME
TRA (Teachers Retirement Assoc.)	1,600.00
Social Security	1,300.00
Investment Income	400.00
<b>TOTAL NET MONTHLY INCOME</b>	<b>3,300.00</b>

<b>MONTHLY SUMMARY</b>	
<b>Net Monthly Income</b>	<b>\$3,300.00</b>
<b>Monthly Expenses</b>	<b>\$2,827.00</b>
<b>Balance</b>	<b>\$+473.00</b>



## Recovery After Disaster: The Family Financial Toolkit Case Study #4 – Mr. & Mrs. M.T. Nester

Mr. & Mrs. M.T. Nester, age 47 and 49, live in the small town of Despair (population 5,000) in the southeastern part of the United States. They have been looking forward to the 'empty nest' years and have been planning a nice vacation for their 35<sup>th</sup> wedding anniversary in a few years. Their 20 year old son is in his second year of college at the University 3 hours away. Their 25 year old daughter, son in law, and 7 month old granddaughter live an hour away. Mr. Nester is the manager of one of two grocery stores in town. Mrs. Nester is the secretary at the local high school.

Despair was struck by Hurricane Earl. The Nesters' home and car port were completely destroyed, leaving only the cement foundation slab. Both the grocery store and high school received extensive damage as well.

The Nesters had refinanced their home a few years ago to be able to assist with college costs. The value of their property prior to the hurricane was \$135,000. They had \$50,000 equity in their home.

### Processing Questions

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4. What resources do you suggest they explore?
5. Given their stage in the life cycle, what special considerations might they need to think about?
6. What additional information is needed and/or what additional resources/ tools might be helpful to this individual/family as a course of action is determined?
7. Identify a plan of action for this individual/family. (Explore several alternatives)



## SPENDING PLAN

Month: July Year: 2010

Name: Mr. & Mrs. M.T. Nester

Household: # of Adults 2 # of Children 0

EXPENSE CATEGORY	MONTHLY SPENDING
<b>HOUSING:</b>	
Mortgage - PITI	850.00
Second Mortgage	
Heat	50.00
Electricity	130.00
Water, Sewer	45.00
Garbage	20.00
Telephone (land)	35.00
Cell Phone	60.00
TV/Cable	45.00
Internet	35.00
Property Insurance	(w/ mortgage)
Property Taxes	(w/mortgage)
Other - maintenance	100.00
<b>FOOD:</b>	
Groceries	380.00
Eating Out	100.00
School Lunch (Mrs.)	50.00
Other food	25.00
<b>TRANSPORTATION:</b>	
Gas (2 vehicles)	275.00
Vehicle Maintenance/Oil	120.00
Vehicle Payment (1)	242.00
Vehicle Insurance	115.00
Other - license tabs	20.00
<b>HEALTHCARE:</b>	
Health Ins (ded. & copays)	150.00
Prescriptions	20.00
Over-the-Counter	10.00
Life Insurance	40.00
Other- eye/dental	66.00
<b>SAVINGS:</b>	50.00

<b>PERSONAL:</b>	
Clothing	100.00
Clothing Care	20.00
Personal Care	40.00
Child Care	
Diapers, Supplies	
Child Support	
Child Allowances	75.00
School Activities	
Education (son-college)	200.00
Household Items	40.00
Gifts	60.00
Entertain/Recreation	75.00
Vacation	100.00
Pets	27.00
Personal Spending	50.00
Contributions/Dues	65.00
Debt Payments	400.00
Other - (cigs, etc)	
<b>TOTAL MONTHLY EXPENSES</b>	<b>4,285.00</b>

INCOME SOURCE	MONTHLY NET INCOME
Mr. M.T. Nester (grocery store)	2,812.00
Mrs. M.T. Nester (high school secretary)	1,800.00
<b>TOTAL NET MONTHLY INCOME</b>	<b>\$4,612.00</b>

<b>MONTHLY SUMMARY</b>	
<b>Net Monthly Income</b>	<b>\$4,612.00</b>
<b>Monthly Expenses</b>	<b>\$4,285.00</b>
<b>Balance</b>	<b>\$+327.00</b>

