

LIFELONG FINANCIAL STRATEGIES TIP SHEET

PHASE TWO: THE NESTING YEARS (Ages 25-40)

If you are in your nesting years, between the ages of 25 and 40, you are likely making big life decisions – on everything from buying a house to getting married to starting a family. The decisions you make during these years will affect you for the rest of our life.

This is the stage in your life when you begin thinking like a responsible adult, about becoming a provider – not just in terms of earnings, but also in terms of taking care of the needs of loved ones. To make these big decisions, you need to have a plan. These tips will help you make smart financial decisions that benefit you in the present – and position you for success in the future.

TIP #1: WALK BEFORE YOU RUN

That means save before you invest. You should have nine months of living expenses saved before you even think about investing. And as you plan your savings strategy, you must be sure you are contributing enough to your retirement funds, particularly if there is a 401K match – otherwise, you are walking away from free money.

TIP #2: INSURE IT – ONLY IF YOU CAN'T AFFORD TO LOSE IT

Be smart about what you insure. Don't waste your money on unnecessary insurance coverage. For example, if you are single without dependents, do you need a million dollar term-life insurance policy? Probably not.

TIP #3: BE WILLING

This one is simple. Write a will, even if you don't think you need one. Although this is even more important for parents, everyone should have a will.

TIP #4: MAKE SURE YOU BENEFIT FROM WORKPLACE BENEFITS

Read the forms and illustrations provided by HR and get smart about what choices make the most sense for you when it comes to deductibles, contributions and coverage. These forms and offerings are more complex than ever before – and they are only becoming more so. Don't be shy – ask questions!

TIP #5: DON'T BE BLINDSIDED – ANTICIPATE YOUR TAXES

Don't wait until April 15 of next year. Find out as early in the current year as possible what your tax liability will be and adjust your withholdings or estimated tax payments accordingly.

For more helpful tips and advice, please visit www.CFP.net.