

**LIFELONG FINANCIAL STRATEGIES TIP SHEET**

**PHASE THREE: THE PRIME TIME YEARS (Ages 40-55)**

**If you are between the ages of 40 and 55, you are, with years of hard work and perhaps a little luck, on track professionally and life has settled into a more comfortable routine. But more income often brings more responsibilities. During this phase in your life, you are likely saving for your child's education, concerned about caring for your parents, and contemplating retirement savings all the while. Here are five tips to assist you in this phase of your life.**

**TIP #1:** Seek assistance from a CERTIFIED FINANCIAL PLANNER™ professional

This means that there is a commitment or obligation to always put your interest ahead of the advisors. It also implies full disclosure of how the planner or advisor is compensated, as well as full and open acknowledgement of any conflicts of interest. A CERTIFIED FINANCIAL PLANNER™ professional is required to be a fiduciary for his or her clients as part of his professional designation.

**TIP #2:** Buy long-term care insurance now, when it's less expensive

This is one of the best times to get long-term insurance, given the much more affordable premiums at earlier ages. Consider, too, that it's not just for your senior years: According to the 2002 federal Long Term Care Handbook, 40 percent of people needing long-term care assistance are between 18 and 65.

**TIP #3:** Have and follow an investment roadmap

We often make investment choices based on emotions – it is tempting to react to current market conditions. And it's natural to feel the need to buy when the market is going up and sell when it's going down. Having an investment roadmap is having a plan to guide you over the hills and the valleys so you don't lose sight of your investment goals.

**TIP #4:** Diversify your assets

There is no perfect vehicle or strategy for investing: some strategies offer tax savings, others are subject to gift tax rules, still others provide more or less control over the use of the funds. A diversified strategy of using more than one savings tool is recommended. Developing this strategy with the help of a CFP® professional also makes sense, since so many variables need to be compared and analyzed.

**TIP #5:** Prepare properly for the years to come

The good news about turning 50: you can now increase your contributions to your retirement plans. These contributions also mean tax savings, since they will reduce the amount of taxable compensation or earnings you receive.

**For more helpful tips and advice, please visit [www.CFP.net](http://www.CFP.net).**