

YOUR PATH TO A LIFETIME OF FINANCIAL SUCCESS

a holistic approach to financial planning



How am I doing financially for the stage of life I'm in?

One of the most common questions we get during the financial planning process is “how am I doing financially for the stage of life I'm in?” Where you should be depends on many factors that are different for each family.

We have put together some general guidelines to help you focus on being financially fit at different milestones in your life. Some of you may be ahead of schedule while others may have to play catchup. Ultimately, everyone needs their own personal tailored plan to keep them on the right path to financial success.

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How to Be Financially Successful in Your 20s

Ask just about anyone if they would have done something differently in their 20s financially and you will get a “yes!” In our early 20s, our brains are not fully developed yet, at least for men, which explains a lot! In this stage of life, we feel invincible and think we have lots of time to save for the future. Instead, you should be thinking that this is the best time to set a solid foundation for your future.



20-Something's Biggest Issues with Money:

- Spending carelessly
- Not saving enough
- Equating money with happiness

Start by keeping a close eye on your expenses. Rent or your mortgage shouldn't exceed 28% of your income. Your overall household expenses shouldn't exceed 36% of your income. Pay off old debt and don't take on any new debt. Create a debt-management plan and stay away from accumulating credit card debt. You'll also want to establish an Emergency Fund. Aim for 3–6 months of expenses set aside depending on whether you are single or married.

Save money and invest for retirement by utilizing the retirement savings plan offered by your employer. If you aren't able to contribute to an employer plan, IRAs and Roth accounts are also good options. Lastly, focus on establishing healthy financial behaviors like paying your bills on time, living within your means, and not getting over-extended.

How to Be Financially Successful in Your 30s

Think about advancing in your career. Changing jobs could be financially worthwhile. You could also look into getting a professional certification in your field of work.

30-Something's Biggest Issues with Money:

- Being underinsured
- Living paycheck to paycheck
- Not saving enough for retirement



Update your budget (and your mindset) from your 20s to reflect your goals and current situation. Increase retirement savings to 15% of your income. Increasing your contribution whenever you receive a raise or bonus is also a good strategy to reach this goal. At 30, you are likely bringing in more income, which should allow you to allocate 15% of earnings towards retirement savings.

Reevaluate your insurance coverage to make sure it is keeping pace with your current circumstances and lifestyle. Consider getting a life insurance policy to protect your family. Remember that the earlier you purchase it, the cheaper it is. And if you haven't done so already, work with an attorney to create a will.

How to Be Financially Successful in Your 40s

Max out your 401(k) or other employer retirement plans to the amount of \$20,500 (for tax year 2022). Diversify your nest egg. The aggressive investment strategy you instilled in your 20s may need to be revised depending on your current time horizon.



40-Something's Biggest Issues with Money:

- Not educating kids about finances
- Trying to keep up with friends & neighbors
- Not sticking to a family budget

You might be less risk tolerant than you once were, and that is ok. Fund your health savings account to the current limit (\$3,650 for an individual or \$7,300 for a family).

Limit children's expenses whenever possible. Children can become expensive when they need braces, cell phones, allowances and as they begin sports, dance, performing arts, etc. Be sure to be reasonable on expenditures for your children.

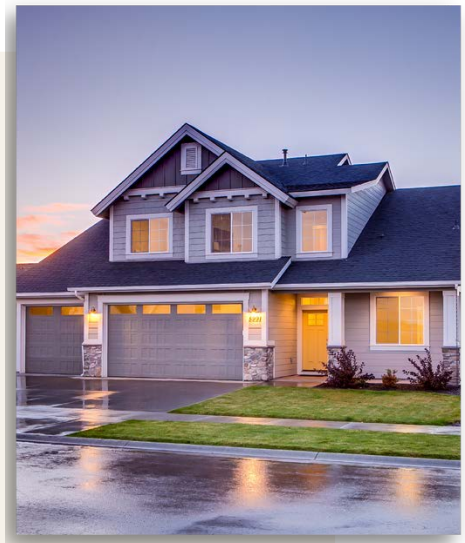
Consider creating multiple income streams. If you have additional capital, 40 is a great time to open another income stream to help fund your goals.

How to Be Financially Successful in Your 50s

Prioritize paying off your mortgage. You do not want to go into retirement with a mortgage payment. Try to get rid of that monthly payment as soon as possible.

50-Something's Biggest Issues with Money:

- Maintaining proper investment allocations in retirement accounts
- Getting spooked in volatile markets
- Overlooking future health plans



Contribute the catch-up amount to your 401(k) of \$6,500. Purchase a long-term care policy by your mid-fifties to receive the most manageable premiums.

Devote a substantial portion of your discretionary income to savings. Remember to pay yourself first. You are saving to meet your future goals and objectives.

Think about your legacy. It will be built upon your core values not only the wealth you accumulate over your lifetime. Reflect on what you want to be remembered for and what your family should carry on.

How to Be Financially Successful in Your 60s

Save the maximum amount of disposable income. While still working – do not slow your savings and continue contributing to your investments.



60-Something's Biggest Issues with Money:

- Withdrawing Social Security too early
- Underestimating expenses in retirement
- Cashing out an employer retirement account

Consider life after employment. Begin to imagine what you want your life to look like in retirement, how you want to spend your time and where you want to spend your money. Help your children and their children. Resist becoming “the bank of mom & dad.” Prepare your nest egg for its future purpose.

Your portfolio income only needs to make up the gap between your income needs and your secure sources of income. Determine your Social Security income timing and resist the urge to file benefits early. Consider receiving the maximum amount of Social Security income over your lifetime by waiting until you’re 70.



Interested in meeting with one of our financial advisors?

If you have questions about our holistic approach to financial planning or if you'd like to schedule a complimentary consultation to speak with one of our financial advisors, please reach out to us. You can also schedule a consultation on your own by [clicking here](#).



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