



Investing During Life's Stages

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Investing should be viewed as a lifelong process. The earlier you get started, the better off you'll be in the long run.

Whether its saving for retirement, a new house, or college tuition, most of us will need to develop a disciplined savings strategy. The easiest way to accomplish this is by making regular contributions to a savings or investment account.

There is a lot to accomplish early on in life. Too often, many people overlook basic steps making it much more difficult later in life to build wealth. Like building a house, we can't achieve success without a solid foundation. This same principle applies when trying to build wealth. You must have a solid foundation in place and create good saving habits. Establishing an emergency fund and developing a plan to pay off debt, are two important footings for your foundation. Consider creating a lifestyle that may have you living slightly below your means and establish a consist plan to save each month. You should consider setting aside at least 15% of your gross annual income for retirement savings.

During your mid 30's, the only remaining debt you should have is your mortgage and you should also have saved the equivalent of one year's salary between your retirement savings accounts and other savings accounts. For families with children, saving for children's college tuition becomes a priority as well as funding life insurance and updating estate planning documents. At this point in time, it's important to begin working with a Financial Advisor who can help you develop a financial plan by incorporating your specific financial goals. By developing a financial plan, you will gain a clear understanding of the steps that you need to take to help you work towards saving for those goals.

By the time you are in your 40's, the early habits and discipline of your 20's should be starting to pay off. Trying to save money on a monthly basis should be second nature and so this should allow you to increase the rate at which you are saving for college tuition. Now is the time to make sure you are having more consistent meetings with your Financial Advisor to ensure that you stay on track. You

should have the equivalent of three times your current salary saved between your retirement savings and other savings accounts.

In your 50's, you are entering the home stretch to retirement. This is a critical stretch as this period typically is your highest earning years. As you may be transitioning into empty nesters, there will be more discretionary income that can help you make big strides towards building your wealth. In this phase, your nest egg should be approximately five times your current annual salary. You should aim to have your home's mortgage paid off by this time in your life.

As you approach your 60's and consider retirement, working with a Financial Advisor is important to truly pinpoint where your nest egg needs to be to ensure that you are on track to retire comfortably. Now is the time to look at your potential Social Security benefits and begin to understand the filing options that you may have available to you. Your estate planning documents need to be reviewed and updated if necessary. After all those years of saving, now begins the distribution phase. It's very important to have a detailed plan of how you should distribute your assets. Having a good Financial Advisor will help you plan and ensure that you are staying on track.

Whether you're new to investing or have been investing for years, understanding all of the choices available to you is an important part of building a strong financial plan.

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