

FINANCIAL TIPS FOR 3 CRUCIAL STAGES OF YOUR LIFE



Managing your finances optimally can often be the key to a happy life.

Unfortunately, many of us are weak at managing our finances and usually don't end up as comfortable and wealthy as we could. It's a fact that there is a deep link between life and money.

Make a budget
and stick to it

Track your
expenses

Most Important Financial Tips at 3 Crucial Stages of your Life

For most of us, financial goals evolve as we progress in our lives. So, what can be done to ensure that you never have to worry about your finances?

WHEN YOU ARE STARTING OUT ON A CAREER



Make a budget and stick to it

This should be the starting point for all your future aims and objectives in life. It is imperative that you never spend more than you earn. Cutting unnecessary costs can result in big savings and that's how you can build wealth. So, make a budget and stick to it, irrespective of whether you are making thousands or millions of dollars.



Track your expenses

Being able to visualize and track your expenses can help you make smart decisions and achieve big goals in the future. After all, how can you save money when you don't even know where it's going in the first place? The simple answer is that you can't. So, always keep track of your expenditures.



Clear your debt

For many people in America, credit card debt is the number one obstacle that keeps them from getting ahead financially. It's easy to swipe a card to purchase things, but credit card debt generally accumulates despite your resolve to pay it off soon. You don't want that to happen. So, go easy on the card and clear your debt as soon as possible.



Start saving towards retirement

Old age and retirement are imminent and none of us can stop it. However, preparing for your retirement well in advance can work wonders throughout your life. The sooner you start saving, the better your finances will be once you've retired. So, if your employer offers a 401(k), 403(b) or similar retirement plan, do whatever is necessary to get it.

WHEN YOU GET MARRIED, HAVE KIDS AND BUY A HOME



While switching jobs, take your retirement money with you

In this day and age, people tend to stay with the same company for a shorter period of time as compared to prior generations. If, and when, you switch jobs, make sure that you take your retirement money with you. You can either roll it over to your new job's account or transfer it to an IRA you control.

Clear your debt

Start saving towards retirement

While switching jobs, take your retirement money with you



Start consulting with a financial planner

A financial planner can help map out how much money you'll eventually end up with by saving a certain amount every month. Hire a financial planner who provides consultation for a couple of hours every now and then and gain some valuable insights into what you should be focusing on when it comes to saving money.



Get life insurance

Some couples choose to get life insurance as soon as they get married, while others wait till they have children. Either way, the financial cover that life insurance provides tremendously helps when there is income loss at an already difficult time. In the unfortunate event of you or your spouse passing away, the financial aid offered by life insurance will soften the blow for surviving family members.



Buy a house that you can afford in the long run

All of us want to own a nice, big and comfortable home. However, if you overextend and go out of your way while purchasing one, the result can be financially devastating. So, work with professional investment advisors and mortgage brokers to buy a house that doesn't put too much stress on your income and debts.



Start saving for your kids' college education

Once you have had kids, they become your top priority. To this end, start saving for their college education. A good step would be to open a 529 account for them and save some money every month through automatic transfers to the account. However, prioritize saving for your retirement. Your children can always take out a student loan to pay for college, but there will be little or no financial help coming your way once you retire.

Start consulting with a financial planner

Get life insurance

Buy a house that you can afford in the long run

Start saving for your kids' college education

WHEN YOU ARE RETIRING



Know your monthly income and expenses

When you are on the verge of retiring, you need to think about your monthly income and expenditure. Once you have decided on how much money you will need on a monthly basis, consult a financial planner. With the planner's professional advice and help, come up with a plan to turn your assets into a steady stream of income in the most tax-efficient manner possible.



Review your investments and downsize if needed

You've worked hard all your life to build a nest egg and now you need to maintain it. Don't end up suffering a huge financial loss the moment you retire. Instead, take a close look at your investments and straighten out problem areas, if any. Moreover, if you are having trouble paying for day to day expenses, consider downsizing. For instance, move to a smaller home. Not only will you save money on taxes and utilities, but moving to a new community could also bring other social benefits.



Take a second look at your will

It may have been decades since you first developed your will, and updating it based on current circumstances is advisable. Employ an attorney to ensure that assets are passed on to your family in the way you intend them to be. Also, decide which of your loved ones make medical and financial decisions for you in case of incapacitation.

Know your monthly income and expenses

Review your investments and downsize if needed

Take a second look at your will

Summary

In the end, there is no doubt that sound financial planning goes a long way in helping you lead a healthy, happy and comfortable life. You don't need a fancy degree to figure this out. Just make use of the aforementioned tips to manage your finances expertly through the course of your life.

For professional tips on managing your finances optimally, consult top financial advisors today.

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