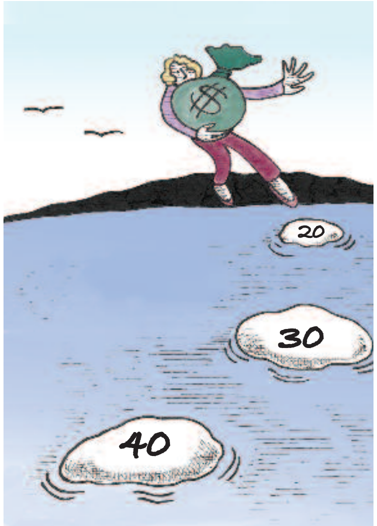
Financial To-Dos for The Decades

In Your 20s

Check out benefits that come with jobs.

- Consider the benefits—401(k), 403(b), pension, health, and other insurance—and not just salary. You may be surprised at how valuable benefits are when you add them up.



Get into the habit of saving.

- Open a checking and savings account if you do not have them.
- Deposit 5% of your salary into your savings account each pay period.
- Start an emergency fund. You should have three to six months of pay saved up in case you run into financial surprises (i.e. a job loss or expensive car repairs).

Start saving for retirement.

- Sign up for your company's retirement plan if there is one. Contribute at least enough to get any available match.
- If you do not have access to a retirement plan at work, open an IRA. Set up automatic monthly contributions from your checking account.

Strive for a debt-free life.

- While you need credit to build up a credit history, do not go overboard.
- Limit yourself to one credit card for emergencies, and pay the balance each month.
- If you have already piled up credit card debt, put as much money towards it as you can to pay it down as quickly as possible.
- Work on paying down your student loan debt, and consider how to pay for additional education if you choose to pursue it
- Learn how to create a budget and use it.

In Your 30s

Keep saving, and focus more on investing.

- Continue contributing to your 401(k) plan or IRA. Shoot for 10% of your paycheck.
- Look at how your 401(k) plan or IRA money is invested. At your age, you can afford to put money in more aggressive investments (stocks and stock-based mutual funds).

Do an insurance checkup

- If you have a family, buy life insurance to protect them financially if you die.
- Assess your health insurance to make sure it meets your needs.
- If you rent, get renter's insurance to cover your losses in the event of theft, a fire, or other disaster.

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In Your 40s

- Look at how your retirement money is invested. You still potentially have many years to retirement and can still take advantage of growth type of investments like stocks.
- Do not be afraid to ask for help. You may want to consider a financial planning professional who can help set and keep you on track to meet your goals.

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In Your 50s

- If you are behind on saving, take advantage of "catch-up contributions" that are now available to you, which enable you to invest higher contribution limits to some retirement plans like IRAs.
- Some retirement plans have different payout options, and you should learn about the benefits and tradeoffs of each.
- Review your insurance situation. If you do not already have a long-term care insurance policy, consider available options through your employer or on an individual basis. Generally the younger you are when you enroll, the lower the premium will be.

In Your 60s

Consider your retirement spending strategy.

- Determine the right option for you: Continue to invest your assets, living off a small percentage each year, or if income is sufficient at present, continue saving to grow your assets for future needs.
- Make sure you understand what your Social Security benefit will be at various ages and factor this into your decision as to when to retire.
- If you cannot afford to retire, consider your options for continuing to work, even if on a reduced schedule.
- If you can, hold off on collecting your Social Security benefit as long as possible up to 70 to increase your monthly payment.

Consider your health.

- Apply for Medicare three months before you turn 65.
- Carefully research the Medicare prescription drug coverage options (Medicare Part D) and supplemental insurance available to make sure you get the best coverage for your needs.
- You may find your employers health coverage combined with Medicare makes it worth staying in your job for a few more years.

In Your 70s

- If you have a traditional IRA that you have not taken withdrawals from yet, you must start taking money out after age 701/2. Otherwise, you may get hit with a big tax penalty. Required minimum distributions may also be required for other defined contribution plans like 401(k) plans.
- Start collecting Social Security at age 70 if you have delayed benefits.
- Evaluate whether your income needs are being met. If you are finding expenses are higher than planned and your income in insufficient, or you do not feel you have a cushion for unexpected expenses you might want to review options such as a reverse mortgage, or consider other ways you might reduce your living expenses.

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