

Financial Tasks Over the Life Cycle

Early Years (Birth to age 18)

- Learn to save for something you want
- Distinguish between wants and needs
- Develop a good work ethic
- Begin exploring career options
- Develop appropriate financial values
- Develop personal discipline and responsibility
- Work part time to earn spending money
- Begin filing income tax returns
- Learn how to use banking services
- Open a savings account
- Make a spending plan

Life Preparation Years (Age 18 to 24)

- Obtain training or education for your first career
- Develop disciplined spending and money management habits independent of family
- Open and responsibly maintain a checking account
- Explore options for entering an occupation or career
- Save money for deposits on your first apartment
- Evaluate and purchase personal communications products such as phone plans and a computer system
- Learn how to maintain an automobile

Career Entry and Establishment of Financial Independence (Age 18 to 30)

- Evaluate initial job offers and benefits
- Purchase your first car
- Purchase auto insurance
- Obtain individual health insurance

- Obtain disability insurance
- Purchase furnishings for your first apartment or home
- Set up a home record keeping system
- Set up a system for paying bills
- Complete a net worth statement
- Obtain a credit card
- Establish a good credit history
- Set long term savings goals and develop a lifelong savings plan
- Make an investment plan and begin investing for lifelong housing and education needs and retirement
- Invest in higher return/higher risk investments
- Begin saving money for down payment and closing costs on a first home
- Finance a wedding and honeymoon
- Evaluate career progress to see if you need to make changes

Setting Up a Household and Launching a Family (Age 20 to 35)

- Obtain a loan to purchase a first home
- Shop for and purchase a first home
- Maintain a home and keep it in good repair
- Purchase a family auto
- Prepare for the addition cost of children in the household
- Purchase life insurance
- Obtain family health coverage
- Make a will and designate guardianships for dependents
- Begin saving for children's education
- Purchase a family auto
- Increase income through career advancement and promotion

Mid-life (Age 35 to 45)

- Increase income to provide for family needs
- Purchase a larger family home
- Supervise children's spending, financial choice-making and career exploration
- Teach children financial skills and responsible money management
- Obtain long term health insurance
- Adjust personal insurance to accommodate changing family needs
- Purchase additional family auto and insurance for use of teenage children
- Estimate how much income you'll need for retirement and adjust savings
- Complete plans for financing children's education
- Finance family vacations or travel

Late Career (Age 45 to 60)

- Finance children's education
- Assist with launching children into financial independence
- Finance children's weddings as appropriate
- Make final career moves to maximize earning potential and available retirement income
- Re-evaluate projected retirement needs and make final plans for retirement
- Evaluate empty-nest housing needs
- Divert empty-nest savings to investment for retirement goals

Early Retirement (Age 55 to 80)

- Re-train for a retirement career
- Obtain a retirement job
- Downsize from a family home to a retirement home or apartment
- Make plans for transferring assets and family heirlooms to heirs
- Focus investments on safer financial products with lower returns
- Look for ways to lower tax penalties on income and investments
- Assume responsibility for parents' care and/or finances

Late Retirement (Age 75 to end of life)

- Simplify personal and family financial and home maintenance responsibilities to accommodate decreasing physical stamina
- Move to an assisted living or nursing care facility as appropriate
- Finance intensive nursing or health care
- Implement plans for transfer of assets to heirs
- Make final decisions regarding life-support
- Delegate management of personal finances to children or care-givers as needed