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| **Your 20s and 30s Are the Perfect Time to Get Your Finances on Track****Young adults have one great asset for building wealth – time. Use it wisely to get and keep your finances moving in the right direction.**While time may be on your side, it won’t improve your finances unless you take steps now to establish good money habits, fix problems, and prepare for your later years. Read on to learn five basic moves you can make now that will help protect you against life’s financial challenges.**Master your current cash flows.** If you haven’t done so yet, establish a realistic budget to which you can commit. Top priority in your budget should be to set up an emergency fund with enough money to pay your expenses for four to six months. You will also want to reduce your credit card debt and redirect some of your spending to long-term goals. Try this for a month – track every dollar you spend, including for lattes and impulse purchases. You might be surprised how much of your money can be redirected to higher-priority objectives.**Get serious about your retirement accounts.** It could take decades to build your retirement nest egg to the point where you can feel confident about your golden years. If you haven’t done so yet, consider signing up for your company’s 401(k) plan and contribute enough to at least earn the full employer match. If you are self-employed, you can open and fund a Solo 401(k) to reduce your taxable income. Also, consider a Roth IRA to sock away the maximum annual contribution each year (currently $6,000). With a Roth, your money grows tax deferred and you may not have to pay any taxes on withdrawals.**Evaluate your insurance.** Millennials may be able to buy life insurance at an exceptionally low cost. Although term life is the cheapest, consider a cash-value plan that builds your wealth while conferring tax benefits. A lifetime policy with level premiums could be a bargain as the years go by. Also consider long-term care (LTC) policies, which will get more expensive the longer you wait. There are innovative policies that combine LTC and life insurance for the most flexibility. If you run your own business, an umbrella liability policy may provide you peace of mind for little money.**Make a commitment to investing.** A customized investment plan, including equity investing, is one of the few ways you might stay ahead of inflation. Because you are young, you have the time to recover from losses in your portfolio. This gives you the ability to assume enough risk to potentially earn higher returns and grow your wealth. A well-diversified portfolio with stocks, bonds, cash, and alternative investments will help manage your overall risk. Vehicles like mutual funds, real estate investment trusts, and exchange-traded funds can help add diversification to your portfolio.**Planning is the lynchpin.** One of the steps toward wealth accumulation is to create a set of integrated plans that provide you guidance over your finances. A financial professional can help you draw up plans to address your current and future needs. Contact me today to schedule a review all aspects of your finances and help put you on a solid footing for the years ahead.The cost and availability of Life Insurance depend on many factors such as age, health, and amount of insurance purchased. In addition to premiums, there are contract limitations, fees, exclusions, reductions of benefits, and charges associated with policy. And if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Any guarantees are contingent upon the claims-paying ability of the issuing company.A Roth IRA offers tax deferral on any earnings in the account. Qualified withdrawals of earnings from the account are tax-free. Withdrawals of earnings prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Limitations and restrictions may apply.There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

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