

Life Changing Events (Transitions) Your Financial Planner Can Help You Navigate

Across our lifespan we experience many transitions or life-changing events. Often these times require decisions that have short-term and longer-term financial implications. What follows are situations where a financial planner can offer valuable guidance, but also use to adjust course of your financial plan.

Deciding on Life After High School

What are you passionate about? What skills, talents and abilities have you honed during high school that might lead to a career path or job field? Not everyone is cut out for 4 years of college. Maybe a 2-3 year technical college or vocational training will help you achieve your career goals. For some students, it's unrealistic to know at age 18 what you want to do for the rest of your working life. If post-secondary education is in your future, do the math to determine how much your education will cost and how that will impact your future prospects. A Financial Planner can help you understand the long-term implications of student loan debt and help you think through various funding strategies.

Accepting Your First Job

Eager first-time employees quickly learn that the decision to accept a position comes with it not only the salary offer, but decisions on federal tax withholding, beneficiary designations, retirement plan contributions, selecting various investments within the retirement plan, health insurance plans, health savings accounts(HAS's) and flexible spending accounts (FSA's)and for some, how to handle stock options

A Pay Increase

Receiving a pay raise or bonus can be pretty exciting and affirming. Having a plan on how best to use these funds is critical. Will this increase move you into a higher income tax bracket or limit your ability to put your money in certain types of accounts. Your planner keeps current with the various rules and can guide you in better courses of action.

A Job Change

Job changes and career shifts can have a huge impact on life satisfaction and your overall financial plan. Before making the leap, consulting your planner can help you weigh the pro's and cons of staying or going. If you do decide to change jobs, your planner can help you with important decisions such as retirement and healthcare plan options.

Marriage

Your financial planner can help you and your partner think through various financial implications of marriage. Especially important to couples where this is a second marriage, or later in life joining. Estate and tax implications titling, and identifying how income and debt will be managed as a married couple.

Having a Baby

Children are expensive! Costs to consider include diapers, formula (if you choose not to breastfeed) and daycare. Then there are all the additional costs of music lessons, sports team expenses and setting aside funds for college. By talking with your planner, you might be pleasantly surprised that taking time off from working and changing to part-time employment can allow you time at home to enjoy your little one instead of the stress of maintaining two careers.

Divorce

No one gets married planning on a future divorce, but divorces do happen. Not only is there an emotional toll, but your finances will also be dramatically impacted. Consulting your planner about various options in addition to the advice provided by your attorney can help you navigate the troubled waters during this turbulent time.

Supporting Grown Children or Raising Grandchildren

Whether it's a situation of failure to launch or boomerang children, financial supporting adult children many families don't consider. Raising grandchildren as Empty-Nesters is another often unexpected life change. Working with your planner can help you strategize how best to deal with these unexpected and challenging changes without endangering your retirement plans.

Death of a Spouse

The grief and emotional toll of losing a spouse creates is debilitating. Even in grief, there are many issues that must be addressed when someone dies. Handling those issues requires assistance from an unbiased party. Your financial planner can help you answer the questions "Am I going to be okay?" and help you reduce your anxiety about your future financial security.

Planning an Estate

Proper prior planning prevents poor performance. An estate plan takes into consideration various factors such as guardianship of minor children, wealth distribution to family and philanthropic goals, and business succession. Deciding who acts on your behalf in the event of your death or incapacitation allows you to rest assured that your wishes will be carried out.

Starting a Business

Before you take the leap to self-employment, running your plans by your financial planner can help you avoid pitfalls you might not have thought of. The excitement of being your own boss might cloud your understanding of how this change can impact your family finances.

Inheriting Money

Emotions can run high when a relative passes and leaves you a sum of money. Some folks are paralyzed regarding what to do with this newfound wealth and do nothing. Others work at figuring out how the deceased benefactor would want the money to be used. Your financial planner can be instrumental in helping you make the right decisions on what the best uses of inherited money are.

Taking Social Security

One of the most important but misunderstood topic is understanding how Social Security works, Many individuals make the Social Security decision without seeking the advice of a financial planner, not taking into account their longevity and relying on preconceived notions. Your financial planner can run various scenarios for you about when the best time for you to take your Social Security benefits in order to maximize the funds you will receive.