

Life's Ripples and Riches: Weaving Health, Family, and Work Into Your Financial Plan

Major Life Event? Make Sure Your Financial Plan Keeps Pace

Life moves pretty fast, as Ferris Bueller once famously remarked—and, amid the hustle and bustle, it's easy to overlook some of the details that accompany the significant milestones that shape our lives. While you may have engaged in conversations about these events with loved ones and friends, have you taken the necessary steps to align your financial allocations, goals, and plans accordingly?

Major life events extend beyond a circled date on your calendar. All financial planning meetings should include a full review of recent developments in your health, family, and work life to make sure you're in a good position to mitigate financial risk and continue the pursuit of your long-term goals.

What Are Considered Major Life Events?

Refer to this list on a quarterly basis and keep your financial advisor informed of any changes.

In the past four months have you...

- Gotten engaged, married, or remarried?
- Adopted, had children, or incurred a major child-related expense?
- Legally divorced, separated, or estranged?
- Combined or separated finances?
- Changed your insurance or added a new driver to your auto policy?
- Incorporated or removed a spouse's goals?
- Started a 401(k), IRA, or pension plan?
- Turned 65 years of age or retired?
- Became an Empty Nester?
- Started saving for a child to attend college?
- Bought/sold a home, refinanced, paid off your mortgage, remodeled, or changed property value?
- Started a new job or had a sizable change in pay?
- Filed for bankruptcy or received government assistance?
- Bought or sold a business?
- Made a purchase of significant value, such as art, jewelry, technology, or a vehicle?
- Encountered a health change, such as injury, illness, surgery, disability, or long-term care needs?
- Had a death in the family or received an inheritance?

Why Discuss Life Events With Your Financial Advisor?

Major life events can bring about significant financial implications that require careful consideration. Whether you're getting married, changing careers, starting a family, buying a home, or retiring, each of these milestones can have a profound impact on your financial well-being. Understanding and proactively managing these implications is essential for maintaining financial stability and reaching your long-term goals.

For example:

If you're buying a home, vacation home, or income property: This major investment requires you to have funds for the down payment, consider mortgage options, estimate budgets for property taxes and maintenance, and invest in new homeowner's insurance and flood insurance policies to protect your asset. Depending on your situation, you may title the property individually, jointly, or in an LLC—and each choice carries implications that affect personal risk, property transfers to heirs, and tax liability.

If you're getting married: You may need a prenuptial agreement if you have substantial premarital assets. You'll also need to update your health and life insurance policies and retirement plans. You may consider adding your spouse to major accounts, assets, and filling out paperwork related to property deeds and develop wills, trusts, powers of attorney, and health care proxies.

If you're starting a family or business venture: With the addition of a child, you'll need to budget for parental leave, childcare expenses, food, clothing, home remodeling, baby gear, and education expenses. You'll also need to update your life and health insurance policies. When starting a new business, you'll have new tax considerations, payroll expenses, insurance requirements, and succession planning to do.

If you're changing careers or retiring: Salary and benefit changes can significantly impact your financial plan. Depending on the situation, you may find yourself in a position to scale back or ramp up your financial goals. As you near retirement, you may consider maximizing tax-deferred savings investments, shifting from stocks to less volatile assets, downsizing your estate, or purchasing insurance products that can protect you from unexpected health care expenses.

Anticipate and Prepare for Future Life Events With a Financial Advisor

Navigating the financial implications of life events requires careful consideration and planning. By understanding the specific financial challenges associated with major milestones, you can proactively adapt your financial plan to account for changes in income, expenses, savings, insurance, and investments. Consulting with a financial planner can provide valuable insights and guidance tailored to your individual circumstances, helping you navigate these transitions with confidence and begin to build a financial foundation for the future.

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