

Celebrating Over 30 Years...

...and Supporting You for the Next 30

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Life Event Planning Checklist: Age Ranges

Age 20-30

- Control your spending
 - Do not live beyond your means
- Invest now and often
 - Figuring your money doubles every 10 years if you’re earning an average annual 7%, you’ll have fewer decades of doubling if you don’t get started right away
- Maximizing employer sponsored plans
 - If you do not have a 401(k) option at work, contribute to a tax-free Roth IRA, or as a second choice, a tax-deferred IRA. The average match is 4.5% of pay

Age 30-40

- Guard against tapping long-term assets for unexpected short-term expenses
 - Keep enough cash and liquidity on hand to meet at least six months of expenses
- Pursue growth in your portfolio
 - Make sure you are broadly diversified across all sectors, with the vast majority of your portfolio in stocks, using low-cost mutual funds and ETFs
- Buy life and disability insurance
 - A 35-year-old can buy \$1 million of coverage for under \$500 a year

Age 40-50

- Begin thinking of your investments in terms of three buckets
 - Liquidity Bucket: Cash & cash equivalents
 - Enough to cover big expenses you expect over the next two to five years
 - Longevity Bucket: Retirement based
 - Do not focus on volatility risk, focus on more relevant risk
 - Won’t be able to fund your income needs in retirement
 - Legacy Bucket: Spillover Assets
 - Should be your most aggressively invested bucket
 - There is plenty of time to make up for any periodic declines in value

Age 50-60

- Pay close attention to asset location
 - Make sure tax-inefficient investments are in tax-sheltered accounts
- Consider life insurance
 - For income replacement
- Predict future healthcare needs
 - Consider your family history and general health

Age 60-70

- Consider the milestone people reach around this time and plan accordingly
 - Rolling assets out of a 401(k) into an IRA accordingly
- Consider partial Roth Conversion
 - Roth withdrawals are tax free in retirement, while a Traditional IRA is subject to income tax rates
 - Consult your tax professional to determine if this is right for you
- Consider withdrawals from taxable brokerage accounts
 - Gains are subjected to long-term capital gains

Age 70+

- 70 ½: you will be required to withdraw minimum distributions (RMD's) from your IRA's and/or employer retirement plan
- Inform your spouse and other close family members of what you will be leaving behind
 - Get specific by creating a list of accounts, contacts, advisors, and so on. This financial road map will help your family and allow you to relax.