

# Your 40's – Review Goals

## Earnings

- These are the beginning of peak earning years for many. Maintain savings and investing discipline, and manage bonuses and stock options with an eye toward the retirement target.
- The chance of experiencing a disability for a worker entering the workforce today is about 25%.\* Consider long-term disability insurance to protect your earning if not already enrolled.
- Continue to reassess your targeted retirement outcome and recalibrate savings as needed.

## Spending

- Children's college education expenses kick in. Don't sacrifice your future retirement by diverting retirement contributions toward education.
- IRA and assets in employers' retirement plans are not included in student federal financial aid calculations, making it one more reason to fund retirement accounts.
- It is also important to note that while students can get loans for tuition, adults cannot get loans for retirement.

## Investing

- Develop a comprehensive investment plan factoring in all savings and investments, targeted timeline to retirement and risk tolerance.
- Family expenses may compete for investible dollars. Find a healthy balance of applying income to spending, insurance and continued investing.
- Retirement is 15-25 years away, which may allow for a relatively aggressive asset allocation.
- Reassess your investment strategy as needed to align with goals and objectives.

## Insuring

- This is a good time to revisit life insurance. Make sure your life insurance is still adequate to sustain dependents and determine whether term or permanent insurance is best for your situation. If life insurance is needed, permanent insurance can be a way to also accumulate cash value to be used as potentially tax-free income during retirement.
- Liability insurance needs to be sufficient enough to protect assets from lawsuits.
- Property and casualty insurers often offer "umbrella" liability policies that coordinate and exceed the liability coverage of other policies such as fire, theft, auto, boat, etc.

## Legacy Planning

- Will, Living Will, Healthcare Power of Attorney, Durable Power of Attorney, potential trust planning.
- Beneficiary Review

