

Smart financial management for twenty-somethings

Ages 24+

Being in your early 20s is an exciting time of life. The world is yours for the taking as you begin this next chapter of independence, career, and creating a home of your own. The choices you make now as you establish your professional and personal lifestyles will lay the foundation for your future financial success, which means getting started on the right foot is crucial.

A financial advisor can work with you to help you access the many resources available to help you manage your finances and create a solid wealth management plan for your future. What follows is an overview of some of the ways we can help, along with links and information to get help you get started – and stay – on the right financial track. Our goal is to be your financial partner through all the chapters of your life, and a financial advisor looks forward to setting out on this journey with you.

Budgeting your first regular paycheck

Finishing school and embarking on a new career can be exhilarating. It also comes with a lot of responsibilities, especially if you're living in a place of your own for the first time.

Knowing where your money is coming from and where it's going are essential. A budget puts all of that information in one place and helps you anticipate shortfalls, adjust your priorities and plan for the unexpected.

In a nutshell, a budget records all of your income sources and all of your expenses, from rent to food to entertainment to savings. Once you've subtracted your total expenses from your total income, you'll be able to see where you may need to generate additional income, or where you have a surplus.

Remember, a budget is a guideline to help you stay on track. You'll need to adjust it from time to time as your needs change. And if you stray from it, just refocus and remember that financial management is an ongoing learning process — it's the big picture that counts.

Your philanthropic goals

Giving back is a big part of responsible wealth management. At this stage of your life, you may wish to expand your involvement in your family's philanthropic work. Take some time to become more involved in the causes your family champions, perhaps through volunteer or board work in addition to charitable contributions.

You may have your own views on the charities you'd like to support, either on your own or through your family. Consider researching and recommending a philanthropic cause at your next family meeting – provide a sound case for support in your presentation, and your family may incorporate your suggested charity into its annual philanthropic plan.

Your financial advisor can also be an excellent resource when it comes to philanthropy, and will assist you in the creation of a giving plan that is in line with your goals and beliefs.

Your key priorities

At this stage of life, you're probably focused on a number of financial priorities. Your financial professionals can provide one-on-one assistance, as well as a wealth of resource materials, to help in any or all of the following areas:

- Developing a wealth management strategy
- Understanding your personal net worth
- Playing a more significant role in your family's philanthropy or business

Making 401(k)s and traditional IRAs work for you

Saving for your future should be a key part of any financial plan. There are some ways to save that will also benefit you today – in the form of immediate tax savings.

401(k) plan

The journey from work to retirement isn't made in one giant leap. It takes a lifetime of savings to steadily build your nest egg. By contributing to your company retirement plan, small contributions today can add up to a significant amount tomorrow. This is due to the advantage of tax-

deferred growth. A 401(k) plan allows participants to make pre-tax contributions through payroll deductions to save for retirement. Most plans will allow participants to contribute up to 100% of their pay not to exceed the IRS limit.

Additionally, many companies make matching employer contributions and/or profit sharing contributions to employee accounts. In most plans, participants have the opportunity to direct their contributions into a variety of investment choices. In addition to reducing taxable income and allowing tax-deferred growth, a 401(k) plan may offer other benefits such as provisions that allow for hardship withdrawal or loan options.

Traditional IRA

Is a tax advantaged retirement vehicle for individual investors. It's attractive to many investors because contributions grow tax-deferred. When saving for retirement, you want every investment advantage you can get — and one of the biggest is tax deferral.

Earnings on your IRA investments are tax-deferred, and will accumulate faster than if they were held outside an IRA.

When you do begin to take withdrawals — usually in retirement — you will have to pay taxes on the distributions. You may, however, be in a lower tax bracket, therefore your total tax obligation could be less than it would have been with the taxable investment.

Ask an financial advisor for more information on these savings options.

Credit card fraud

1. Never leave your cards or purse unattended at work or in your car's glove compartment – both are common targets for thieves.
2. If you're away on holiday, take cash or traveler's checks with you whenever possible and store your credit cards in the room or hotel safe.
3. Plan for what you'll need, and take only that amount of cash with you for a night out with friends (this will protect your cards and your budget).
4. Make a list of your credit cards and their numbers, and keep it in a safe place. This will be helpful information if you need to report a lost or stolen card.
5. If your card is lost or stolen, immediately notify the credit card company.
6. Review your monthly statements carefully. If you notice any transactions that you did not make yourself, contact the bank or credit card company right away.

How we can help

Whether it's helping you to map – and achieve – your short and long-term financial goals, establishing flexible credit structures that will respond to your needs, investing assets, or all of the above, we can help. Working with you, we will create a plan to meet your current financial needs and keep you on track to meet all of your long-term goals.