

# A ROADMAP FOR Wealth Planning



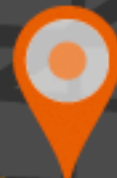
**25-39**



**40-54**



**55-65**



**66+**

Where are you on the  
**ROAD OF LIFE?**

[Tap on your age to explore]



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# Pivotal Years

ages  
**25-39**

KEY FOCUS:  
**LAYING THE FOUNDATION**

ages  
**25-39**

## Lifestyle

**Maintain  
your current  
lifestyle**

- Discuss financial plans with partner
- Plan for a long-term horizon, at least to age 90
- Strive to save 10–20% of income
- Maximize retirement plan contributions (e.g., 401(k) plans, IRAs, Roth IRAs)
- Gain an understanding of expenses and budget for an emergency fund to cover 6–12 month's income
- Manage credit card and other debt to gain a good credit rating
- Minimize non-deductible debt
- Budget for child-raising expenses
- Balance long-term retirement funding with education funding
- Consider health savings accounts
- Establish a comprehensive insurance program including disability, health, life and personal liability coverage
- Couples should review and consolidate lifestyle financial plans

ages  
**25-39**

## Capital Assets

**Pursue your  
next dream**

- Conduct financial independence analysis
- Investigate financing alternatives for all major purchases
- Align debt structures with the characteristics of assets purchased
- Understand the tax implications of various types of funding in order to favorably manage debt

ages  
**25-39**

## Family

**Invest in  
your family's  
future**

- Establish/implement premarital financial planning strategies
- Coordinate wealth transfer plans with spouse or partner
- Establish and periodically update will, directives to physicians, durable and healthcare powers of attorney
- Establish appropriate savings vehicles for children, nieces and nephews (e.g., UTMA's)
- Begin education funding – consider 529 Plans
- Name a guardian for children
- Update beneficiary designations on retirement plans and life insurance policies for changes in family structure

ages  
**25-39**

## Philanthropy

**Create your  
philanthropic  
legacy**

- Balance charitable giving with the financial needs of the family
- Involve your family in philanthropy through giving of your time and expertise
- Begin to develop your alliances with causes/charities of interest to you and your family



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# Interdependence

ages  
**40-54**

KEY FOCUS:  
**BALANCING ACT**

ages  
**40-54**

## Lifestyle

### Maintain your current lifestyle

- Analyze your balance sheet to confirm your financial position
- Align your cash flow with your debt commitments
- Seek tax-efficient investment strategies and wealth transfer planning
- Conduct ongoing portfolio monitoring and dynamic rebalancing as necessary
- Maximize employer-sponsored retirement plans (e.g., 401(k) plans, IRAs, Roth IRAs), including available catch-up contributions
- Determine target retirement age; begin retirement planning
- Discuss your parents' cash flow needs and factor into your own plan
- Consider purchasing long-term care insurance for you and your parents
- Consider health savings accounts
- Review and update insurance program including disability, health, life and personal liability coverage

ages  
**40-54**

## Capital Assets

### Pursue your next dream

- Take advantage of flexible financing for personal needs and business or investment opportunities: custom loans and lines of credit, specialized lending and equipment financing and leasing
- Use credit facilities strategically without disrupting asset management strategies
- Seek family business consulting, if appropriate

ages  
**40-54**

## Family

### Invest in your family's future

- Integrate your estate plan within your overall financial plan
- Update all estate planning documents, factoring in any changes to your family situation
- Discuss your parents' estate and wealth transfer plans and adapt your own plan as needed
- Begin to teach your children about money, the importance of saving, the fundamentals of borrowing money and establishing and maintaining a good credit rating
- Help children purchase an investment vehicle and monitor its performance over time
- Begin multigenerational family education to share family values and prepare the next generation for living in wealth
- Maximize utilization of educational funds in the most tax-efficient manner
- Begin wealth transfer planning; make annual exclusion gifts
- Incorporate trusts for children into your estate plan

ages  
**40-54**

## Philanthropy

### Create your philanthropic legacy

- Help establish a mission that defines the family's philanthropic intentions
- Develop charitable giving strategies; consider tax-efficient philanthropic vehicles, charitable trusts, private family foundations, donor advised fund
- Introduce children to personal giving, volunteering and fund raising



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# Renewal

ages  
**55-65**

KEY FOCUS:  
**PEAK PRODUCTIVITY**

ages  
**55-65**

## Lifestyle

### Maintain your current lifestyle

- Begin to consider where you will retire; consider state income and estate taxes
- Get a customized retirement projection factoring in inflation, work plans during retirement, cost of healthcare and insurance coverage
- Make catch-up contributions to retirement plans
- Identify favorable deferral and distribution elections within various retirement plans
- Examine sources and stability of cash flow and adjust allocations appropriately
- Review asset allocations to stay ahead of inflation and taxes
- Diversify single stock exposure or other highly concentrated holdings
- Conduct ongoing portfolio monitoring and dynamic rebalancing based on your changing risk profile, as necessary
- Revisit and update all insurance coverage (e.g., life, medical care and long-term care insurance)

ages  
**55-65**

## Capital Assets

### Pursue your next dream

- Decide what amount of debt is appropriate for you and investigate available financing alternatives
- Evaluate the pros and cons of eliminating debt
- Seek advantageous ownership structures and strategies for your illiquid investments (e.g., wealth transfer, premium financing, family business services, real estate and agricultural services)

ages  
**55-65**

## Family

### Invest in your family's future

- Revisit and update will, directives to physicians, durable and healthcare powers of attorney, as necessary
- Revisit and update all estate planning documents, factoring in any changes to your family situation
- Consider establishing irrevocable life insurance trust and generation-skipping trust
- Discuss retirement plans with family and children
- Review accounts and transfer UTMAs to adult children at majority
- Adult children should take advantage of employer 401(k) plans and/or set up an IRA or Roth IRA with automatic transfers
- Adult children should establish a will, directives to physicians and durable and healthcare powers of attorney

ages  
**55-65**

## Philanthropy

### Create your philanthropic legacy

- Share the family mission, values and history and the importance of charitable giving
- Engage the next generation in the family foundation, charitable giving strategies and volunteerism
- Consider creating a lifetime gifting strategy for family and/or charities



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# Prime Time

ages  
**66+**

KEY FOCUS:  
**QUALITY OF LIFE**

age  
**66+**

## Lifestyle

**Maintain  
your current  
lifestyle**

- Reassess your complete financial situation
- Consider changing lifestyle and healthcare expenses during retirement
- Establish appropriate withdrawal amounts, factoring in inflation
- Continue to monitor and reallocate investments to maintain diversification
- Review insurance coverage and adjust as necessary

age  
**66+**

## Capital Assets

**Pursue your  
next dream**

- Evaluate the pros and cons of eliminating debt
- Assess the capital impact of your long-term living arrangements

age  
**66+**

## Family

**Invest in  
your family's  
future**

- Implement wealth transfer plans to establish a family legacy
- Review and update estate planning documents to reflect your intentions
- Share wealth transfer plans with family and other beneficiaries
- Consider the emotional and financial benefits of establishing a funeral plan
- Support grandchildren, if appropriate

age  
**66+**

## Philanthropy

**Create your  
philanthropic  
legacy**

- Implement lifetime gifting, wealth transfer and philanthropic strategies
- Consider active volunteerism



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