

5 Life Events Everyone Should Financially Plan For



You can make your own plans, but life might change them. Whether you are getting ready for college, just starting out with your first real job, or you have worked for years, there are certain life events that you should plan for. It's important to plan your finances and make specific goals about where you want to go in life, both career-wise and financially.

However, even if you do make these goals, sometimes life will get in the way. There are many regular monthly expenses that you need to budget for, but you should also take into consideration potentially expensive life events that arise for most people. If you haven't yet set up a budget, or you are bored with your finances, there are ways to make the process more fun. Once you are on track with the basics, it's time to start planning for the life events that can cost big.

1. College

If you're getting ready to head to college, you likely already know that it will cost you big. Hopefully you can earn a scholarship or a grant, but there's a good chance that you will end up taking out at least some loans. It's important that you know some of the basics about student loans, such as the difference between subsidized and unsubsidized loans. It's also important to truly think about how much debt you are taking on; the average graduate for the class of 2013 had more than \$35,200 in student loan debt. If you haven't accrued any debt yet, make it a point to plan for just how much you can afford, and if there's any way you can take out fewer loans (such as working part-time).

If you are a parent of a soon-to-be college student, one of the best things you can do to help your child is to make sure they truly understand what they are taking on by using student loans. If you have time, start saving for your kids' college fund now, and encourage them to earn good grades so that they have a better chance of earning a scholarship.

2. Marriage and family life

You may want to get married soon, or you may believe that you never want to get married. Whatever you are feeling now, things can change if you meet the right person (or you decide that the person you thought was perfect actually isn't so right). Marriage can be expensive: The average wedding in the United States costs \$26,444, and depending on the circumstances, divorce can be costly too. The earlier you start saving for your wedding, the better. Include wedding savings in your monthly budget.

According to Gallup, as of 2013, more than nine in 10 adults said they already have children, plan to have children, or wish they had children. Yet, according to the USDA, parents were projected to spend \$241,080 to raise a child born in 2012. Planning financially for a child ahead of time is usually the easiest way to save, but many of us just can't do that. If you are about to have a child, and you haven't saved anything, it's time to start.

3. Down payment

Owning a home is part of the American dream, at least for most people. If you want to own your own home, you will need to apply for a loan (unless you can pay entirely in cash). You also should save for a down payment; good tips include selling assets, monetizing your hobbies, growing your savings, and doing home projects and making things yourself in your current apartment or rental. According to the census, the average sale price on a new home was \$365,700 in January 2016; you should also consider average home prices in your region. Be sure to also talk to your loan office and do your research to determine if you qualify for first-time home buyer programs.

4. Retirement

It's never too early to start thinking about retirement; the earlier you start, the longer you have to save. MSN has an excellent retirement calculator to get you started; you will need to anticipate some figures, but this is a good place to start. Even if you feel that you waited too long to start, you're still better off making a plan immediately. Retirement is one of the biggest financial events that you will face in your life; almost no one will escape it. Even if you choose to work part-time, or work until you die, you will still need to figure out how your budget will change as you age. Here are eight important charts to consider as you begin your planning.

5. Death

We're all going to die at some point. Like most of the items on this list, you can't know exactly when you will die, so planning can be difficult. You should start by considering who you will leave behind, and how you want to take care of them. According to RabbitFunds, life insurance is a good idea; you will want your loved ones to have money for your funeral, and if you have a young partner or kids, you will need to plan to financially support them as well. You should also create a will, designate a medical power of attorney, and you might want to get life insurance for your children as well. Your own death isn't fun to think about, or plan for, but it is important.

Life events can be hard to predict, but it's essential to plan for them, and that includes financially preparing for them.

<http://www.cheatsheet.com/money-career/5-life-events-everyone-should-financially-plan-for.html/?a=viewall>