

Financial Planning for the Younger Generation - Transcript

Tim Mullooly: On Episode 78 we're going to talk about financial planning for the younger generation.

Welcome to the Mullooly Asset Show. I'm your host, Tim Mullooly. Let's dive right into the question for today. Brendan, what are we going to be talking about?

Brendan: What are the important points of a financial plan to focus on as a young person?

Tim Mullooly: Very timely question. Just this morning I was featured on the All About Your Benjamins podcast hosted by our friend Justin Castelli. I'll link to that in the show notes. You should definitely check it out.

It's an hour long conversation on exactly this topic. To hit the bullet points of what we talked about, the first step that you should focus on, if you're a young professional starting your financial plan, are your cash flows. We've talked about this before.

I'll link to previous posts and videos. You want to make sure that you have more money coming in than going out.

Second step would be to have some sort of estate plan in place. That can be as simple as having a basic will made up. Anyone really over the age of 18 should have some sort of will. A lot of people don't think that estate planning applies to them.

That's not true. What not apply to you are the estate taxes, but everyone who owns any sort of asset, or has a bank account, or any kind of money should have an estate plan or some kind of will in place should something happen to you.

The next step after that would be in the investments.

Investing at a young age is a good time to take advantage of the amount of time you have left and start building your investments towards retirement. At such a young age you have decades to grow this money.

It's important now to set up an allocation for your investments that will get you to that end game in retirement. It will also help you establish good habits investing. If you have a plan in place, it will make you less emotional when the market is going up and down each day, knowing that you have a plan that is meant for 30, 40 years down the road.

You don't really need to worry about the day to day fluctuations in the market.

The next step after that that we touched on is some sort of retirement planning. At such a young age, it's hard to pinpoint the exact details of what you're going to need in retirement. It's always good to start thinking about maybe what your life is going to be like or what you're going to want in retirement.

Taking a macro versus micro approach, we talked about this in the podcast as well, the micro details along the way are going to change, but it's good to have that macro view, the long-term view of your retirement as an end game.

Those are just some of the points to consider, if you're a young person around my age looking to start a financial plan.

If you want to hear much more about this, go check out the link to Justin's podcast where I talk with him. It's about an hour long. We go into some pretty good details about what you should look to expect, if you're a young person starting a financial plan, but a great question.

Always something good to think about. You're never too young to start planning for your future.

That's going to do it for Episode 78 of the Mullooly Asset Show. We'll see you next week on the next episode.