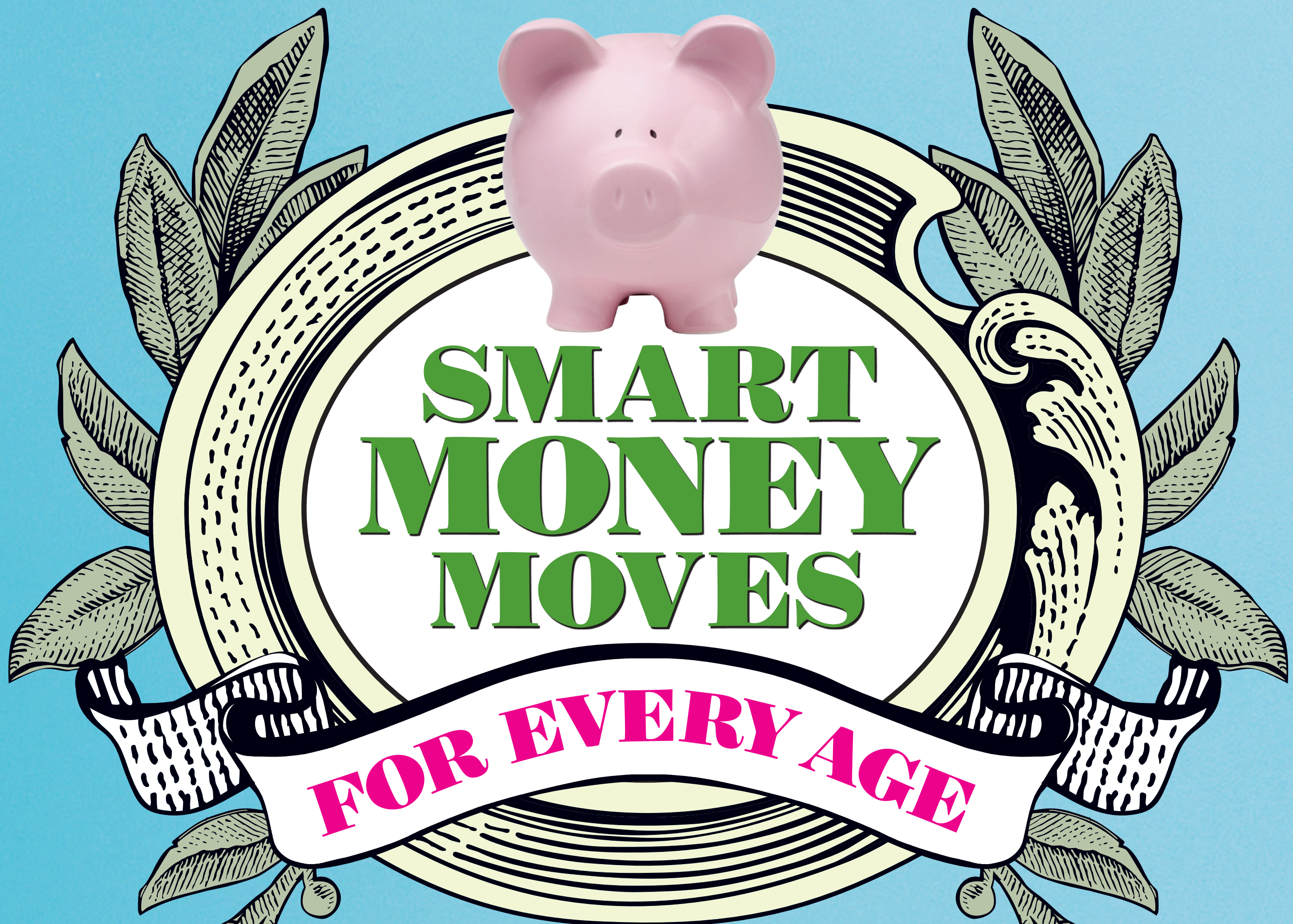

SMART MONEY MOVES FOR EVERY AGE

Maximize your savings, minimize your debt and zap money stress in your 30s, 40s, 50s and beyond.

BY KATE ROCKWOOD

IN YOUR 30s

YOU HAVE A PILE OF DEBT.

Your college days may be in the rearview mirror, but those student loans are still riding shotgun. Based on Equifax credit report data, 30-somethings account for one-third of America's $1.2 trillion in college loan debt. And people in their 30s may struggle to pay credit card bills on time. "Between late fees and the hit you could take on your credit score, overdue payments can be financially devastating," says Sean McQuay, NerdWallet's banking expert.

MONEY MOVE **Always pay your bills on time.** To nail every due date with minimal effort, set up auto-pay for your credit card bill. (Go this route only if you're not in danger of overdrawing your bank account.) To reduce debt you already have, consider transferring the balance to a 0% interest rate card such as Chase Slate or Citi Simplicity Card. Going forward, use your credit card only if you're confident you can pay off the balance each month.

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YOUR FAMILY HAS A STEADY INCOME.

At this age, your salary is likely on a welcome upswing. Unfortunately, you're probably not giving your savings account enough love. In fact, those in their early 30s squirrel away only 7.5% of their income each year, according to a report by Fidelity Investments—that's about half of the 15% that experts recommend. Still, that smaller amount does deserve a solid pat on the back, says Manisha Thakor, CFP, CFA, director of wealth strategy for women, Buckingham Financial and the BAM Alliance. "When you start to use your saving muscle, you notice more places to cut back and save, and that means you are more likely to increase how much you put away in the future," she says.

MONEY MOVE **Save for retirement.** If your employer offers a 401(k) plan, start there and contribute at least enough to receive any match the company offers. "If you don't take advantage of the match, you're leaving free money on the table," says Amy Godwin, CFP, VP at Fidelity Investments. Then look at the debt you have, including student loans and credit cards. Any account with an interest rate over 8% should be a top priority for repayment—before you put aside more for retirement.

If you don't have high-interest debt but still worry you'll feel a paycheck pinch if you save 15%, pick an amount you can handle, then enroll in automatic increases with your financial institution. If you save 1% more per year of a $60,000 salary starting in your mid-30s (which is just $50 a month), you'll have an extra $3,210 in annual income when you retire.

> ★ BONUS! ★
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> **Stop losing sleep over LOW MORTGAGE RATES**
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> Sure, if you sign on to a mortgage now you'll take advantage of rates below 4%, but depending on your location, you'll also have to stay put for five to seven years to break even on the closing costs and broker fees. "People think that home ownership is the path to wealth or adulthood, but it often makes more sense to rent, so you can move for a great job opportunity or as your family expands," says Thakor.

IN YOUR 40s

YOU'RE WARY OF FUTURE COLLEGE EXPENSES.

College costs are increasing 5% to 8% each year, which means if you have a kindergartner today, she could face an annual sticker price of $43,000 for public tuition or $85,000 for private, if trends remain the same. But before you start moving every spare cent into a college savings fund, consider this: "There are loans for college, but there are no loans for retirement," says Godwin.

MONEY MOVE **Double down on your retirement savings first.** Try to save at least 10% of your income toward retirement before you consider opening a 529 college-savings account, suggests Thakor. (You can put $18,000 in a 401(k) each year. If you can save more, sock another $5,500 in an IRA.) Then, funnel any extra cash into a 529, where it will grow tax-free until you apply it to higher education costs.

YOU FEEL LIKE YOU CAN FINALLY AFFORD A NICE VACATION.

Many women reach their peak earning potential just as they're finishing the long slog of student loan repayments. Time to celebrate, right? You bet—but keep in mind that small indulgences in your 40s can easily spin out of control if you're not careful.

MONEY MOVE **Be smart about those splurges to enjoy them even more.** To assess the price of your lifestyle, break out your last three bank statements and tally everything into three categories: essentials, savings and discretionary spending (or use Mint, an app that pulls data from your bank and credit cards automatically). "A good rule of thumb is 30% of your money max for discretionary items, like date nights, manicures or travel," says Rachel Rabinovich, CFP, a financial planner with the education group Society of Grownups. If your percentage is higher, cut back by considering which spending habits actually bring you more joy.

Don't stop at day-to-day spending. Saving for a major splurge in advance can actually make you enjoy the purchase more, since you won't have to dread the credit card statement. So open a separate savings account and name it with your next fun goal, like "Christmas in California" or "Private Piano Lessons."

> ★ BONUS! ★
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> **Stop losing sleep over YOUR OLD 401(K)S**
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> If you have a list of active retirement accounts as long as your résumé, spend an afternoon rolling them into one IRA. That way, you'll be able to keep a closer eye on your money and notice when an investment is tanking. You might also save on administrative fees, says Godwin.

IN YOUR 50s AND BEYOND

YOU KNOW RETIREMENT IS ON THE HORIZON—YOU'RE JUST NOT SURE WHAT IT LOOKS LIKE.

When it comes to retirement savings, bigger is always better. But that doesn't mean your financial plan should be that basic. "Think of your 50s as the red-flag zone for retirement: You're getting closer, but you still have time to make small adjustments that will pay off," says Thakor.

MONEY MOVE **Talk to a pro.** An online calculator such as *fidelity.com/calculators* can give you a quick sense of whether or not you have enough socked away, but meeting with a financial adviser will bring those numbers to life. What would your social security benefits be if you worked two more years? How much would your retirement income increase if you moved more into savings and investments? Regardless of income, people who created a written financial plan with the help of a professional ended up with more than four times as much in retirement savings than those who didn't.

LIFE THREW YOU A CURVEBALL THAT'S GIVING YOU SERIOUS FINANCIAL HEADACHES.

Maybe you got divorced or lost your spouse, embraced a midlife career change or are staring at a stack of medical bills as daunting as your leg cast. If you're struggling to stick with your savings goals or are starting to rely on credit cards, it might be time to rethink your biggest financial burden—your mortgage.

MONEY MOVE **Think about downsizing.** Home ownership—including taxes, upkeep and utilities—tends to be one of the top wallet-draining expenses, and once you retire, it will probably eat up a full third of your monthly income. Let's say you move now from a home that costs $250,000 to a home that costs $150,000. After you pay the selling and moving costs, you'd still have $75,000 to shore up your savings. Invest that money, and you'll have an extra $3,000 a year in retirement income. And with a less expensive home, you'd likely save about $3,250 every year in home costs, according to the Center for Retirement Research at Boston College.

> ★ BONUS! ★
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> **Stop losing sleep over WHO GETS WHAT**
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> Now is the time to update or add a beneficiary to any account that contains a substantial amount of money. If you don't make a move, outdated beneficiaries, such as your ex-husband, could be legally entitled to your money if something happens to you. And any assets without a beneficiary could wind up in probate court—a potentially expensive headache for loved ones.

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