

Starting a Family

9 things to do to build a bright financial future

Congratulations, you're starting a family! Time to re-organize and re-prioritize your finances. Even though you're knee-deep in diapers and legos, you can take these simple but important steps to get on the right track.

#1

Develop a will

A will is the most important legal document for your family. In addition to determining a legal guardian for your children, consider appointing a financial guardian as well, who can take care of financial decisions that may need to be made if something happens to you.

Target Date to Complete: _____

#2

Adjust your budget

It's estimated that a new baby will bring \$10,000 of expenses in the first year. You can adjust for those expenses and make room for a new baby in your budget — but first you need to know where your money is going. Track your expenses carefully for a month. Once you know where your money is going, we can help you analyze your monthly spending and determine a realistic plan for you.

Target Date to Complete: _____

#3

Get life insurance

A general rule of thumb is to have from 5 to 10 times your income in life insurance. Adequate life insurance will ensure that your family is taken care of should something happen to you. We can connect you with a knowledgeable specialist that will help you determine the right insurance for your needs through Summit Financial Advisors.

Target Date to Complete: _____

#4

Open a savings account in your child's name

A recent study done by the College Saving Initiative showed that kids with savings accounts in their own names are 6 times more likely to go to college. The amount in the accounts doesn't matter as much as simply having the account. When they are old enough, have them make the deposits and withdrawals so they develop a sense of ownership. It's an easy but important step that will have life-long benefits.

Target Date to Complete: _____



#5

Get a Social Security Number for your child

In order to claim your child on your tax return, your child needs a Social Security Number.

Target Date to Complete: _____

#6

Review your W-4 and current benefit information with your employer

Make sure your deductions and withholdings are accurate and meet your family's needs. The W-4 worksheet will walk you through the process. You should also be sure you understand your health and life insurance benefits as a family, including any additional costs. And review your beneficiaries to make sure they're consistent with the desires of your will.

Target Date to Complete: _____

#7

Start a college fund

According to the College Board, the average cost for tuition and fees at four-year public institutions has increased nearly 51% over the last 10 years (after adjusting for inflation). The sooner you start saving for college, the better. We recommend opening a 529 plan, and you can start with as little as \$25/month and build from there. The key is to get in the habit of setting money aside regularly.

Target Date to Complete: _____

#8

Build emergency savings

Aim to set aside 3-6 months of your monthly expenses in a savings account, because one thing is for certain — you can expect the unexpected. But you won't get there all at once. Your first goal can be to get your savings to \$1,000, and then keep building from there. We can help you set up automatic savings so that you don't even miss the money you set aside regularly.

Target Date to Complete: _____

#9

Re-evaluate your financial goals and plan for the future

Once you've completed these steps, think long-term about your financial goals and what you need to change or adjust. Write down what you want for your family's finances in 5 years and be specific. Once you have your goals identified, we'll help you determine the specific steps you need to take to get there.

Target Date to Complete: _____

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- Budget and goal planning worksheets
- Financial calculators
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