

Life Goals and Major Milestones



Life does not stay the same, and neither do your financial priorities. This module covers three goals that often come into focus as life evolves: buying a home, saving for education, and planning for major life changes. Each requires thoughtful planning and a clear sense of how it fits alongside your long-term financial security.

Saving for a Home or Down Payment

A Goal Worth Planning For

Buying a home is one of the most significant financial decisions many people make. Reaching that goal is possible with the right approach and a clear savings plan.

How to Save for a Down Payment

For a down payment, your savings need to be accessible and stable. High-yield savings accounts or similar short-term options are commonly used for this purpose. The following are important considerations when saving for a down payment.

- Prioritize liquidity so funds are accessible when you are ready
- Prioritize stability so the balance is predictable as your timeline approaches
- Keep down payment savings separate from emergency savings and retirement accounts

Avoiding Common Tradeoffs

One common mistake is reducing retirement contributions to save more for a home. Pausing contributions can mean missing out on employer matching and long-term growth. Another common mistake is breaking the bank to save for a home. Ensuring that you are not creating additional debt when saving for a home will prevent debt payments from offsetting the progress you are making. Finding a balance helps protect both your short-term and long-term goals.

Balancing Home and Retirement Goals

Home savings and retirement savings do not have to compete. With a thoughtful approach, you can make progress toward both at the same time.

A home is a meaningful goal. Planning ahead helps you get there without putting other priorities at risk.

Education Savings and 529 Plans

What a 529 Plan Is

A 529 plan is a tax-advantaged savings account designed for education expenses. Contributions grow tax-free when used for qualified education costs.

When Education Savings Makes Sense

Education savings tends to make sense once:

- A retirement foundation is already in place
- There is room in the budget to contribute regularly
- You have a clear timeline and beneficiary in mind

Retirement Comes First

It is important not to sacrifice retirement savings in order to fund education. Unlike education, retirement has no alternative funding source such as loans or scholarships. A balanced approach helps protect both goals.

Starting Small Still Helps

Even modest contributions to a 529 plan grow over time. Family members can also contribute, which can help build the account more quickly.

Education savings is a worthy goal when built alongside, not instead of, retirement.

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Planning for Big Life Changes

Career Transitions

A job change, career shift, or period of reduced income can affect your financial plan. Key considerations include:

- What happens to retirement contributions during the transition
- How to manage benefits and coverage gaps
- Rebuilding savings if spending increases temporarily

Adjusting Financial Priorities

Major life changes may require temporarily shifting where your money goes. The goal is to return to your long-term priorities as soon as your situation stabilizes.

Growing Families

Adding to your family brings new expenses and new financial priorities. This may include reviewing insurance coverage, adjusting cash flow, and beginning to think about education savings.

Staying Flexible

A strong financial plan is not rigid. It allows for adjustments without losing sight of long-term goals. Life changes are not obstacles to progress. With a flexible plan in place, they become moments to adjust, adapt, and keep moving forward.

Questions to Ask Yourself

- Do I have a savings plan for my home down payment that is separate from other goals?
- Am I saving for education without reducing retirement contributions?
- Does my financial plan have flexibility to absorb a major life change?
- When life changes, do I have a plan to get back on track?

Take Action

- Set a down payment target and open a dedicated savings account for it
- Research 529 plans if education savings is on your horizon
- Confirm your retirement contributions remain in place through any life transition
- Revisit your financial plan when a major life change occurs
- Consult with a financial advisor to help you navigate these important financial decisions

Align your money with what matters most.