

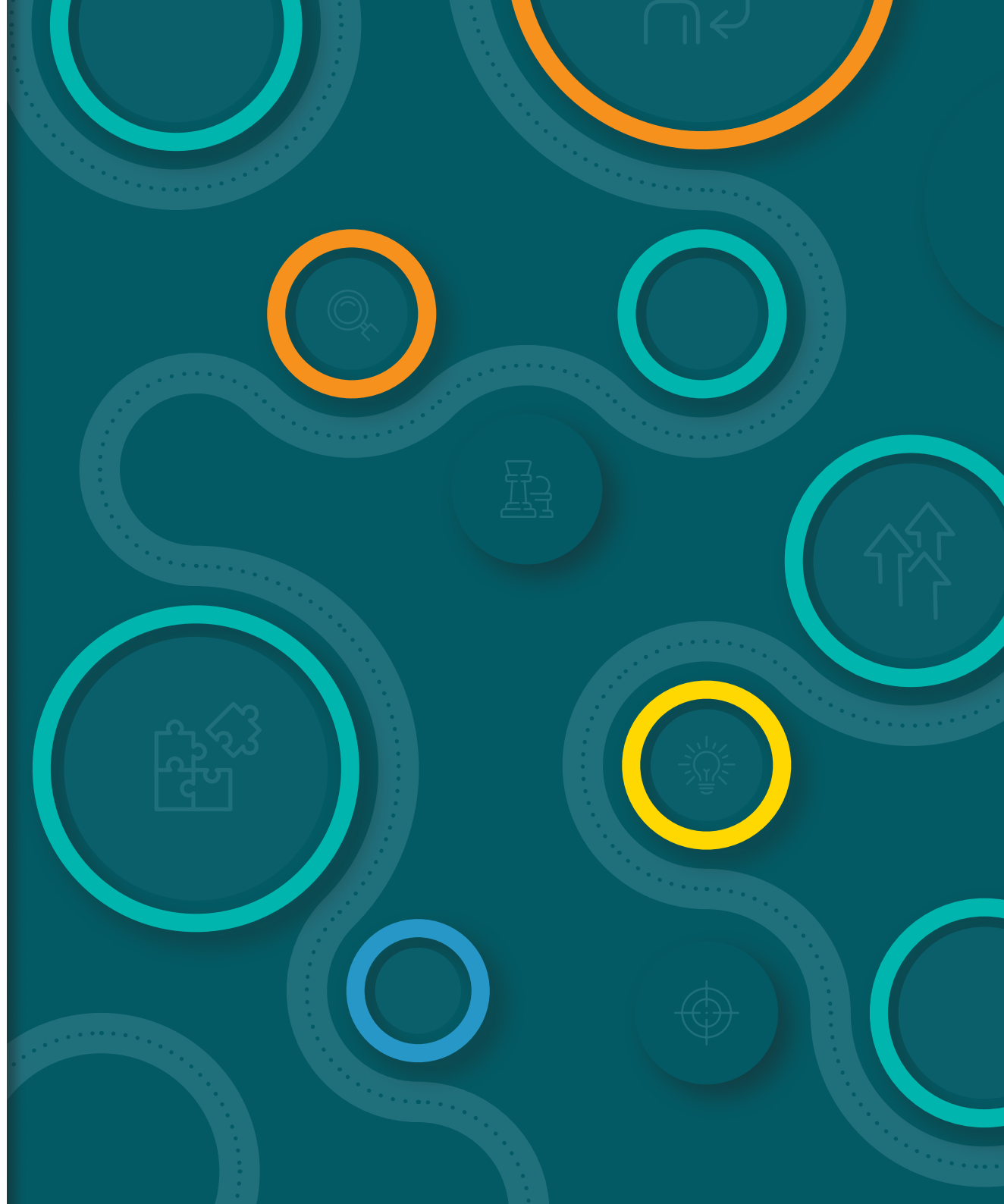
The Macalvins Pathways

“Individuals”

From the moment you start your career you're on the life wealth pathway. This will see your journey from a start, through to the growth and mature phases.

Along the way you will have a unique set of financial obstacles to deal with and overcome. You will have to be flexible in your thinking and adapt your strategy as you move along.

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STAGE 1: Seed and Development

In the early career stage, you are starting to build a foundation for a strong financial future. Now is the time to establish good habits of saving and investing. Focusing on long term growth in your assets faster than inflation is vital. Planning to start a family, saving to purchase a home and paying down university debt are common challenges. At this stage keeping income in step with expenses can be a struggle, but it is important to lay the groundwork for retirement saving now.

STAGE 2: Growth and Establishment

Earnings rise, but so do financial demands. Your financial life becomes more complex as you balance children, mortgages, career moves and funding retirement. Your own university loans may be paid off, but now you face paying for your children's education. Properly managing debt in this stage can play a big role in securing your retirement.

Hiring smart business advisors with the right skill sets is necessary to make the most of your wealth potential during this phase.

STAGE 3: The Summit in sight

In this stage one typically reaches their maximum income level. The life expenses of earlier stages may be abating, providing an opportunity to clean your balance sheet, with the goal of entering retirement with as little debt as possible. Low debt creates greater financial flexibility and security. This may also be a time to catch up in your savings for retirement. Maintaining broad diversification in taxable and tax deferred portfolios builds a stable foundation for retirement.

STAGE 4: Retirement

Retirement is now within view, but what form will it take? Do you completely retire from work, or begin something new? Is a new career or vocation calling? Ticking the bucket list, moving to a warmer climate or relocating closer to grandchildren may become of interest. Your investment focus is about to shift from wealth accumulation to distribution, but don't become too conservative with your portfolio. Decades of life expectancy will require decades of asset growth above inflation. When is the optimal time to draw your pension and how do you manage your different streams of income throughout retirement? Managing market risk, especially early in retirement, can help you control longevity risk – the risk of running out of money that we all face.



NAVIGATING THE LIFECYCLE

Not everyone will experience every stage of the lifecycle, and those that do may not necessarily experience them in chronological order.

For many, though, there will be some sort of resemblance to the stages defined above, and awareness may help you anticipate what is coming next and how you can best prepare yourself. Making the right decisions at each stage is another thing altogether, however, and that will require your usual mix of gut instinct and practical sense.

Contact us today to receive specialist help and advice at every stage.

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