

# THREE FINANCIAL CONSIDERATIONS WHEN STARTING OVER



Americans are on the move. In 2012, 36.5 million people packed up and made a move, with more than 6 million relocating to a different state, region or country, according to the U.S. Census Bureau. Some changed locations because they got married, divorced or retired, others moved for a new job, and still others moved in search of better weather. Regardless of their motivation, many Americans share the desire to make a fresh start in a new place.

But starting over can be stressful—and beyond the emotional challenges, it can be surprisingly expensive. So it’s important to plan ahead.

“If you’re moving out of state or relocating for work, the financial stress is compounded exponentially,” says David Dority, a Premier Banker at SunTrust Bank in Fairfax, Va. “The considerations from a career standpoint, combined with the considerations from a homeownership standpoint—all of those things changing and impacting one another at once—makes having a financial plan even more critical than normal.”

Before you latch the moving van and hit the road, it’s important to address the following details of your move:

## 1. Where you’ll work

When you decided to move, you probably thought carefully about your career and what you’d do for work in your new area. You may have lined up a new job already. But did you carefully calculate how much you’ll make, and how far that will go in your new location?

Consider, for instance, that the average teacher’s salary in a major metropolitan area will be significantly higher than a smaller city or town. The cost of gas, groceries, utilities and health care also play into the cost of living in any given location. How these numbers add up can be deceiving in terms of your overall standard of living—so it is very important to understand your professional value in your new location when negotiating salary and creating a budget.

“Even more so than usual, when you move, there is a need for precise planning to make sure income and expenses are balanced,” Dority says.

## 2. Where you’ll live

Like cost of living, housing markets vary by region, so the value of real estate should figure prominently in your financial plan.

For example, if you currently own a home, consider the consequences of selling it in today’s market.

“If you have equity in your home, whether you’re transferring it to a new home purchase or taking it out, that’s a big consideration,” Dority says. “If you relocate and decide to invest that equity somewhere else, or start over with little or no equity, you’ve just taken your best financial tool—a home equity line of credit for use in emergencies—off the table.”

If you are planning and budgeting to purchase a home in your new area, don’t forget to factor in related costs, like property taxes, as they likewise can vary substantially.

Although the benefits of homeownership outweigh those of renting in most markets, Dority says renting in the short term can make good financial sense in the long term.

“Renting is not such a bad idea because when you’re moving to a new place, it’s hard to successfully gauge the appropriate area for you to live in,” he explains. “Renting for a year gives you the opportunity to feel the area out and gives you time to make a sound financial decision when you purchase a home later.”

## 3. Where you’ll bank

No matter how much you love your sofa or stamp collection, the most important thing to move with you is your money, Dority says.

“I have had clients I’ve lost to relocation, and I’ve helped them by offering referrals,” he says, “I like to reach out to other bankers in their new area and connect them with the best possible banker to put their mind at ease.”

Bankers can also connect you with local real estate agents, accountants and attorneys in your new area and assist with your budgeting, cost of living and real estate challenges.

“Whether your journey takes you inside or outside the SunTrust footprint, getting a new banker is probably the most important thing you can do for your financial future,” Dority says.

When you are ready, your banker can help you transfer your accounts—including your direct deposits and online bill pay—from your old institution to your new one. There are also automated services that help streamline the process of transferring accounts and finances.

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