

# The Benefits of Financial Planning

## *Preparing for your goals*

### Why People Say “Yes” to Financial Planning:

Financial planning pulls together all your finances and organizes them to help make management easy and effective. The more you understand and better manage your wealth, the more prepared you are for your goals and dreams and unexpected events.

### Creating a Financial Plan will Help You:

- See your finances, so you understand how your individual financial decisions collectively impact your financial success.
- Create integrated strategies that take into account the interconnectedness of your financial activities.
- Identify your long-term financial goals and the steps needed to pursue them.
- Track your progress and make adjustments as you experience new life events or develop different perspectives.

### Take control of your financial future

The pace and complexity of managing modern life may leave some people unprepared to manage their finances. If you're feeling less than confident about your future, having a well-prepared financial plan can help put you in control. To manage your income and expenses effectively throughout your lifetime, consider partnering with your financial advisor, who has the experience to help you create a plan that strategically addresses your unique goals and needs.



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## Overcoming Objections to Financial Planning

As you consider contacting your financial advisor to pursue financial planning, you may have thought about the following:

### **"It's too much work."**

Your advisor is specially equipped with the tools and experience to help you build a customized plan with the least amount of work for you.

### **"It's too expensive."**

The fees for working with your financial advisor to create and monitor your plan may be smaller when compared to the opportunity cost of not managing your money in an effective, long-term manner.

Managing your money is much like managing a business, and financial planning is a small investment with the potential to help you achieve your goals.

### **"It's too late."**

It's never too late to start planning. Whether you're just beginning the accumulation phase of your career, or you've already gathered substantial savings, financial planning can be valuable. Pre-retirees and those in retirement may find themselves struggling to manage their wealth. Having a plan in place, especially during uncertain economic times, can be comforting.

### **"I can do it myself."**

There are many online resources that will help you get started with financial planning. However, some use a one-size-fits-all approach that doesn't customize its process for your unique needs. You aren't able to test models against risks or make any changes based on your situation. Your professional financial advisor has the experience and the tools to prepare an individualized plan that maps your financial future. In addition, a professional financial advisor can guide you through implementing your plan, provide advice on revisions (when necessary), and help you monitor your progress toward making your goals a reality.

## Your Financial Advisor – Your Partner in Planning

### What your financial plan should include

The key to creating a successful financial plan is ensuring it covers your current and future financial needs. To determine your needs, spend time with your financial advisor considering your options, defining your goals, and evaluating your resources. The following are some common areas to consider when planning your financial future:

**Cash flow:** Cash flow is a cornerstone in developing a comprehensive financial plan. Identifying what your spending habits are now will help us identify what your cash flow needs in retirement will be. Failing to have a clear picture of your bills and expenses can dramatically reduce your ability to meet your financial objectives.

**Savings:** Fundamental to building a secure, manageable future is saving for the unexpected as well as the expected. Saving is easier if you “pay yourself first” and build automatic savings into your budget.

**Risk management:** Risk can take many forms: illness, accident, liability, and natural disasters, to name a few. Failing to manage risk properly can jeopardize your financial future. That’s why smart financial planning evaluates the various levels and types of insurance you carry to make sure they’re aligned with your overall goals and needs. In many cases, insurance can also be used effectively as an alternative revenue stream and a hedge against inflation and riskier types of investments. Life insurance policies contain exclusions, limitations, and reductions of benefits, and terms for keeping them in force. Your financial advisor can provide you with costs and complete details.

**Education funding:** The costs of education for children and grandchildren can be staggering and are seemingly always on the rise. Education is often one of the largest expenses families incur. Arm yourself with current information about the variety of proactive educational savings vehicles that can help you plan your funding goals while managing exposure to big surprises or long-term debt.

**Retirement planning:** Social Security benefits, employer-sponsored plans, and personal retirement savings including investments, IRAs, and annuities typically combine to comprise retirement income for most Americans. Deciding which retirement choices will serve you best can be daunting, but your financial advisor can guide you to the options that will help support and enhance your overall investment and tax strategies.

**Estate planning:** Your legacy is in your hands. Only through diligent monitoring can you be assured your assets will be transferred effectively and according to your wishes to the people and charities you care about most. Establishing trusts, regularly reviewing your legal documents and beneficiary designations, and examining tax implications for survivors are vital to establishing a plan that provides you and your loved ones with greater confidence and security.

Creating an effective financial plan takes time, know-how, and experience. Even if you’re using

popular consumer financial tools, planning on your own may be overwhelming and frustrating. By

consulting with a financial advisor with planning experience, you can reduce your workload, ensure

your plan is based on best practices and current regulations and data.

### When you partner with an advisor, you’ll gain:

- Knowledge of options and alternatives tailored to your specific financial situation
- Connections to a network of professionals (accounting, legal, real estate, insurance, trusts) when additional expertise is needed
- Advice and support from an experienced professional committed to guiding you toward long-term financial well-being

# Getting Started

Let your advisor know you want the potential benefits of financial planning for you and your loved ones and schedule an appointment to begin the process. The more information you provide your advisor, the better. Even if you drop off a box filled with your essential financial records, that's often enough to allow your advisor to start creating your customized financial plan.

Once your plan has been created, you and your advisor will review it regularly to help you stay on track toward your goals. As life changes, so does your financial situation. Your financial advisor will strategize with you to help you address these changes and keep you working toward financial success.

**Reach out to your financial advisor today.**

All investing involves risk including loss of principal. No strategy assures success or protects against loss. Insurance guarantees are based on the claims paying ability of the issuing company.

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