“If you fail to plan…you plan to fail.”
-unknown

Would you like to …

- ✓ Feel more in control of your financial situation?
- ✓ Achieve your lifestyle goals?
- ✓ Have greater peace of mind?

What is Financial Planning?

The Certified Financial Planner Board of Standards definition:

“Financial planning is the process of meeting your life goals through the proper management of your finances. Life goals can include buying a home, saving for your child’s education or planning for retirement.

The financial planning process consists of six steps that help you take a "big picture" look at where you are financially. Using these six steps, you can work out where you are now, what you may need in the future and what you must do to reach your goals.

The process involves gathering relevant financial information, setting life goals, examining your current financial status and coming up with a strategy or plan for how you can meet your goals given your current situation and future plans. “

What is the Financial Planning Process?

The Financial Planning Process consists of the following six steps:

1. Establishing and defining the client-planner relationship.

The financial planner should clearly explain or document the services to be provided to you and define both his and your responsibilities.

The planner should explain fully how he will be paid and by whom. You and the planner should agree on how long the professional relationship should last and on how decisions will be made.

2. Gathering client data, including goals.

The financial planner should ask for information about your financial situation. You and the planner should mutually define your personal and financial goals, understand your time frame for results and discuss, if relevant, how you feel about risk. The financial planner should gather all the necessary documents before giving you the advice you need.

3. Analyzing and evaluating your financial status.

The financial planner should analyze your information to assess your current situation and determine what you must do to meet your goals. Depending on what services you have asked for, this could include analyzing your assets, liabilities and cash flow, current insurance coverage, investments or tax strategies.

4. Developing and presenting financial planning recommendations and/or alternatives.

The financial planner should offer financial planning recommendations that address your goals, based on the information you provide. The planner should go over the recommendations with you to help you understand them so that you can make informed decisions. The planner should also listen to your concerns and revise the recommendations as appropriate.

5. Implementing the financial planning recommendations.

You and the planner should agree on how the recommendations will be carried out. The planner may carry out the recommendations or serve as your "coach," coordinating the whole process with you and other professionals such as attorneys or stockbrokers.

6. Monitoring the financial planning recommendations.

You and the planner should agree on who will monitor your progress towards your goals. If the planner is in charge of the process, she should report to you periodically to review your situation and adjust the recommendations, if needed, as your life changes.

What can Financial Planning do for you?

- Organize your finances
- Improve cash flow
- Lower personal income taxes
- Plan for retirement
- Plan for college expenses
- Improve investment performance
- Lower investment risk
- Reduce insurance costs
- Minimize estate settlement costs

To Do List for Financial Planning

1. Know your net worth.
    a. Assets
    b. Liabilities
2. Track your cash flow.
    a. Income
    b. Expenses
3. Check your credit report.
    a. Check all three agencies
    b. Know your credit score
4. Review your insurance needs and coverage.
    a. Life, Disability, Medical, Long Term Care
    b. Home, Auto, Umbrella
5. Set your financial goals.
    a. What are they?
    b. Are you on track?
6. Determine your risk tolerance.
    a. Does your portfolio match your risk tolerance?
    b. Does your portfolio reflect your time horizon?
7. Establish/Review investment plan.
    a. What is your asset allocation?
    b. Do you need to rebalance?
8. Use retirement plans available.
    a. Employment
    b. Personal
9. Identify and file important papers.
    a. Create file of accounts and advisors
    b. Have copies in safety deposit box
10. Determine estate planning needs, implement.
    a. Beneficiary forms
    b. Wills
    c. Trusts
    d. Advanced Medical Directives
        i. Living Will
        ii. Health Care Proxy
        iii. Durable Power of Attorney

Reasons to meet with planner:

Determine Current Position

- Do you have a financial plan?
- Are you on track to meet your lifestyle goals?

Change in life circumstances

- Married, widowed, divorced
- Birth or adoption of child
- Near retirement
- Job change, job loss
- Inheritance
- Change in financial goals

Current events

Tax Increase Prevention and Reconciliation Act (TIPRA)

- Capital gains tax rates extended through 2010
- AMT band aid extended one year (2006)
- Kiddie tax through age 18
- 529 plan federal tax exemption permanent
- Section 179 amounts extended through 2009