

It's Your money

FINANCIAL PLANNING I

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Financial planning is a *process*

1. Understand personal and financial circumstances
2. Identify and select goals
3. Analyze current situation and alternatives
4. Develop the plan/recommendation(s)
5. Present the plan/recommendation(s)
6. Implement the plan
7. Monitor and update plan

Step 1 of 7: Personal and financial circumstances

- * Use the Ask First form
- * Agreement
- * Expectations of both parties
- * Your finances: net worth and income/expenses



Step 2 of 7: Identify goals & objectives

- * Retirement
- * Home improvements/purchase of new home
- * Travel
- * Gifting to family
- * Funding long term care costs
- * Philanthropy

Step 3 of 7: Analyze current situation

- * Tax returns
- * Social Security and pension statements
- * Account statements
- * Insurance policy declaration pages
- * Loan documents, other liabilities
- * Estate planning documents
- * Annual spending

Step 3 of 7: Analyze current situation

Net Worth

- * assets
- * liabilities

Cash Flow

- * income
- * expenses

Net worth example

Net Worth Statement

John and Mary Sample

September 15, 2026

ASSETS

Savings And Investments

Money Market Accounts/Funds	\$20,000	
Stock Mutual Fund / ETF	5,000	
		\$25,000

Retirement Accounts

Qualified Plans-John	\$590,000	
IRA Assets-Mary	382,000	
Roth Assets-John	241,397	
Roth Assets-Mary	301,477	
		\$1,514,874

Other Assets

Residence	\$1,200,000	
Personal Property	20,000	
Auto	30,000	
		\$1,250,000

TOTAL ASSETS	\$2,789,874
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LIABILITIES

Residence Mortgage	\$120,000	
Credit Card Debt	5,000	
Auto Loans	15,000	
		\$140,000

TOTAL LIABILITIES	\$140,000
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Net Worth (Assets less Liabilities)	\$2,649,874
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Cash flow example

INCOME

John Social Security	32,985
Mary Social Security	29,483
John Pension	51,495
Dividends and interest	5,200
Total:	119,163

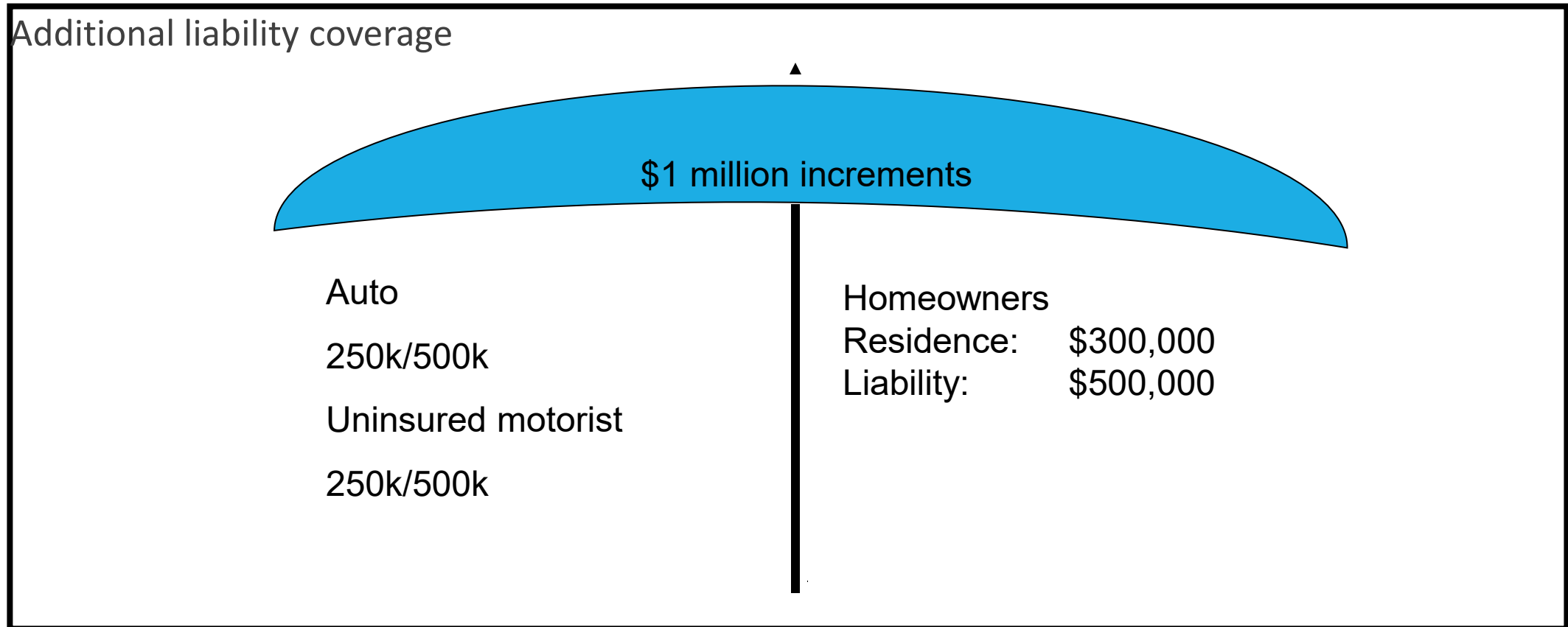
EXPENSES

Tax: Federal	10,218
Tax: State	4,257
Home	
property taxes	5,500
insurance (auto, home, umbrella)	4,650
utilities	1,497
gardener	1,650
repairs	12,000
misc	5,024
Internet, cell phones	3,840
Auto gas, m & r	1,850
Food	12,000
Dining out	6,240
Entertainment	8,500
Travel	16,597
Clothing	3,500
Medical/dental/vision	3,250
Personal exps	5,100
Pets	3,490
Charity	3,500
Gifts	6,500
Total:	119,163

Step 4 of 7: Develop the plan

- * Cash flow
- * Insurance
- * Investments
- * Estate planning
- * Retirement
- * College planning
- * Income
- * Taxes

Risk management - the Umbrella concept



Step 5: Plan Recommendations

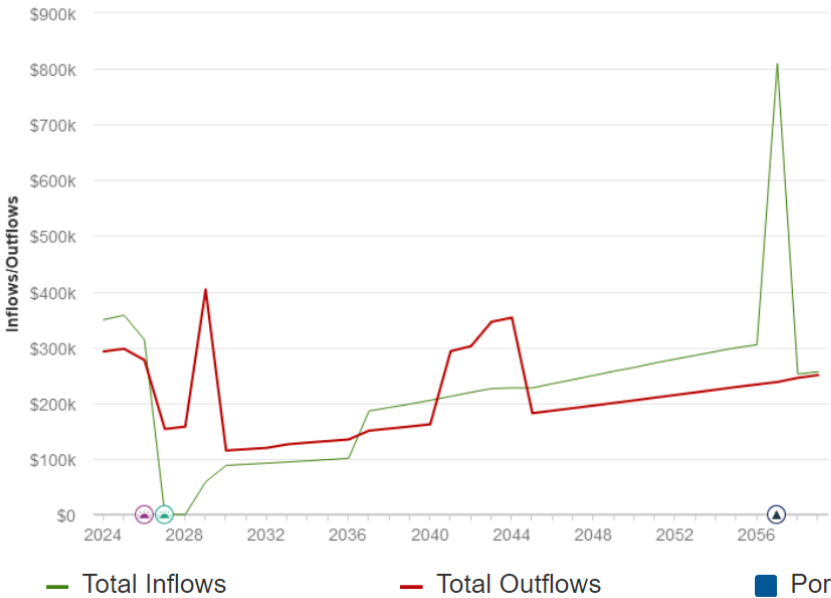
- * Income. Social Security timing; pension payout strategies; required minimum distributions
- * Taxes. Tax-efficient investing/gifting; Qualified Charitable Distributions (QCDs); Roth conversions, withdrawal strategies
- * Investments. Asset allocation review and recommendations; consolidation of accounts
- * Estate planning. Beneficiary review, discussion of topics for attorney
- * College funding

Step 5: Plan Recommendations

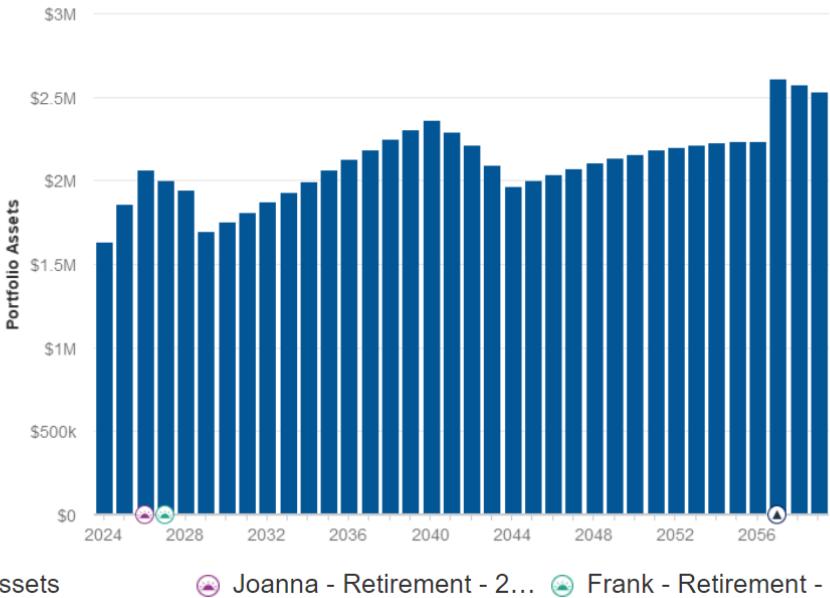
Cash Flow Base Facts (All Years) (Only Show Future Values)
The Cash Flow report illustrates your income, savings, expenses, and resulting net cash flow on an annual basis.

Web Print Generate ▼

Inflows and Outflows Base Facts



Portfolio Assets Base Facts



Joanna - Retirement - 2... Frank - Retirement - 2027

Step 6: Implement the plan

- * Cash flow. Tax-efficient withdrawal strategies.
- * Insurance. Add/increase coverages/umbrella coverage/rental coverage.
- * Investments. Consolidate accounts; make tax-efficient investment changes; reallocate holdings.
- * Estate planning. See attorney for review and update of documents; update account titles/beneficiaries.
- * Gifting/charity. Tax-efficient gifting strategies; Qualified Charitable Distributions (QCDs); charitable gift annuity.
- * Taxes. Roth IRA conversions.

Step 7 of 7: Monitor and update

Review

- * Plan progress
- * Assumptions, goals and objectives
- * Changes in circumstances
- * Revisit and update plan

The joy of having a plan!

