

## Financial Planning—A Million Reasons to Secure Your Future

Financial planning is a lot like planning a vacation. It sometimes feels like there's a million details to plan. Whether you're visiting a remote tropical island or preparing for a modest weekend getaway nearby, choosing a destination and dreaming about all the wonderful things you'll see and do can be a lot of fun. However, along with all those pleasantries comes the added legwork of shopping for hotel accommodations, securing plane fares, and ironing out your exact itinerary. These tasks can be mentally draining, yet once you embark on your journey, you are likely to find that the extra time spent planning your excursion was well worth the effort.

The financial planning process is similar. You must know where you're going and how to get there; otherwise, you're bound to encounter problems or even get financially "lost" along the way. However, with a plan firmly in place, you can feel more secure that you are headed in the right direction. You'll also be better able to adjust to changing circumstances and implement a predetermined contingency plan should the need arise.

### Taking a Closer Look

There are many facets of financial planning. Each part is equally important to the overall success of your plan. At one point or another, some stages of the planning process will outweigh others, due to personal situations and goals. However, eventually each part of the financial planning process will assume equal importance. Here's a quick glance at some of the more important components of financial planning.

- **Personal Finances.** Planning your day-to-day finances is an important first step in the overall scheme of financial planning. Without a firm grip on your finances, you may hamper your ability to meet long-term financial goals and objectives. Take a good look at your financial affairs to make sure you are not spending more than you earn. Once you feel confident about your short-term financial picture, you can start to look at more long-term goals.
- **Personal Savings.** One of the building blocks of your financial plan is your ability to save. Undoubtedly, if you are able to diligently save, you can increase your chances for meeting realistic personal goals. Whether you are saving to buy a home, start a business, fund a child's education, or secure a worry-free retirement, putting money aside on a regular basis is an important step in solidifying your future.
- **Insurance Planning.** Without adequate life and disability insurance coverage, how would your family financially survive should you suffer an untimely death or disability? To address this question, protecting your family's future should be at the forefront of your long-term financial plan.
- **College Funding.** The average price tag for one year at a private college or university continues to climb. With the specter of even higher college costs in the future, it has become more and more challenging to save for a child's education. Therefore, college funding has evolved into an important part of the financial planning process.
- **Retirement Planning.** The retirement landscape has dramatically changed over the past thirty years. Today, individuals are living longer than ever before, the future of government programs, such as Social Security, is in jeopardy, and retirement plan funding responsibilities have shifted from employers to employees. In addition, taxes and inflation continually erode savings. Therefore, retirement assets need to work harder than ever before in order to meet retirement funding objectives.
- **Investment Planning.** The funding vehicles you choose to reach your goals are an integral part of your financial plan. The advent of mutual funds and other financial products has created unprecedented participation in the financial marketplace. However, this growth in numbers carries an added complexity and a vast amount of financial information.
- **Estate Planning.** Passing assets on to future generations with the least tax liability is an important goal for many individuals. There is a wide array of planning mechanisms that can help achieve desired results. However, the complex nature of the estate planning arena requires the full participation of your professional advisors to ensure your plans are consistent with your goals and objectives.

### Putting It All Together

Financial planning is a complex process that requires professional knowledge to ensure your plan is on track to achieve your short- and long-term goals. The assistance of a financial professional will help you navigate the seemingly endless scope of financial products and concepts and come up with choices that best suit your situation.