

YOUR FUTURE

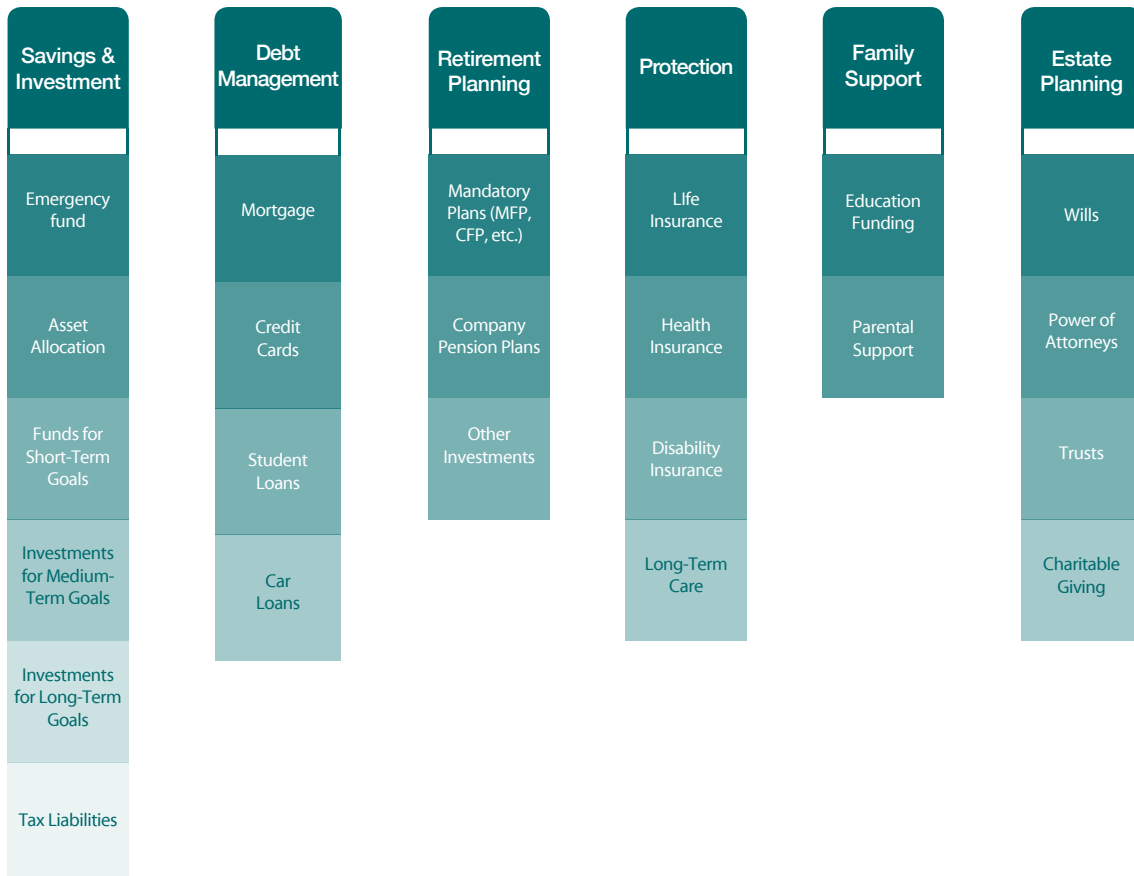
Financial Planning Checklist

Be ready.

We all want to achieve significant things in our lives, but sometimes it can be a real struggle to balance the many priorities that we have. No matter what your situation, with some preparation you can ensure you reach the goals that matter most to you AND achieve financial security.

Financial planning is the process of setting, planning, achieving and reviewing your life ambitions. It helps you manage your money – today and in the future.

Components of a Comprehensive Financial Plan



The 5 Steps to Creating a Financial Plan



Do a financial health check

Calculate your assets (cash, investments, property, value of jewelry, fine art etc.).

Calculate your liabilities (debt, mortgage etc.).

Understand where your cash goes (income minus expenses).

Determine your short, medium, and long-term life goals



Estimate the cost and target date to reach each goal.

Evaluate how close you are to achieving your goals.



Develop your plan for achieving each goal

How much of your current assets can be used towards your goals?

How much disposable income can be used towards your goals?

Do you need to reduce expenses or find an alternative income source ?

Implement your plan



Make arrangements to save and/or invest.

Buy insurance.

Set up an education fund.

Create a will/trust.



Monitor and review your plan at least annually or when you have a major life change

Are your goals still realistic?

Has the timeline changed?

Make adjustments if needed.

Checklist

Savings/Investments

- Do you have an emergency fund? (3-6 months of monthly salary recommended)
- Do you have investments that are relatively liquid and aimed to help you meet short-term goals? (less than 2 years)
- Do you have investments designed to help you meet your medium-term goals? (2-5 years)
- Are enough of your investments such that they'll help you to meet long-term goals? (greater than 5 years)
- Do you believe your current asset allocation matches your investment needs and risk tolerance?
- Do you know what your tax liability is and how your investments affect it? Can you save on taxes?
- When is the last time you and your financial advisor reviewed your investment portfolio? Do you need to adjust it?

Notes:

Debt Management

- Do you have a plan for addressing and paying off debt?
- Are you sure you have the lowest interest rates on consumer debt? Can you negotiate lower rates?
- Do you know what your credit rating score is, and do you know how to protect or improve it?
- When will you need to refinance your mortgage?
- Do you need to consider a debt restructuring plan to improve your cash flow situation?

Notes:

Retirement Planning

- When do you want to retire? Where do you want to live? How do you plan to spend your time during retirement?
- What are your retirement needs and financial goals? How much do you think you'll need in retirement?
- What sort of retirement plans do you have? (mandatory pension? Employer sponsored plans?) Are you maximising your allowable contribution? What assets do you have in each?
- Are you confident you have enough resources set aside for retirement income? What are they?

Notes:

Protection

- Do you need life insurance? How much?
- If you have life insurance, is it enough and the right type?
- Do you have health insurance? Who is covered in your family and what type of coverage do you have?
- Do you need/have disability insurance? How much? How long would you be eligible for benefits?
- Do you need/have long-term care insurance?

Notes:

Family Support

- Do you plan to have children/more children in the future? How many?
- Will you be paying for your children's education? How much will you need? When?
- Do you provide financial assistance to parents, adult children or grandchildren? Do you expect the amount of financial support you provide to grow? Stay the same? Decline?
- What's the status of each of your parent's health?
- How do you think your parents will provide for their expenses in retirement?

Notes:

Estate Planning

- Do you have a will? Does it need to be updated?
- What's the primary goal of your estate plan? (i.e. provide for family? Avoid taxes?)
- If you have minor children, do you have guardians for them? Do you have a trustee for the estate?
- Who are the principal beneficiaries of your estate?
- Who has a copy of your will? Is it in a safe place?
- If you were to pass away suddenly or become incapacitated, do your loved ones understand your wishes?
- Do you have a power of attorney in the event you can't make important decisions?
- If you own a business, what kind of succession plan does it have?
- Are there charities you would like your estate to support now or in the future?

Notes:
