

Financial Planning Best-Practices Guide

What is my plan missing?

Investment Planning

- **DIVERSIFY** purposefully – Allocate assets across different investment types to balance risk and return according to your goals and time horizon.
- **REBALANCE/REALLOCATE** annually – Adjust your portfolio to maintain your target rate of return as markets and circumstances change.
- **COST** containment – Minimize fees and expenses. 100% guaranteed loss, usually with little real value.

Retirement Planning

- **Calculate** your spending gap – Know how much income your savings needs to earn for the lifestyle you choose.
- **Inflation and Longevity** – Prices rise faster than you realize eating up your investment returns, and living a long life costs even more than you would expect.
- **Optimize Social Security** timing – It's not just about when you're going to die, it's about how much of it gets taxed!

Education Planning

- **Start Early, Save Consistently** – Take advantage of compounding by starting education savings as soon as possible.
- **Tax-Advantaged** accounts – Consider how 529 plans, Roth IRAs, and other accounts maximize your compounding.
- **Balance Goals** – Ensure education savings doesn't compromise retirement or other essential objectives.

Tax Strategies

- **Plan Year-Round** – Filing your taxes in the spring summarizes what you've already done. Planning for what to do throughout the year is the only way to truly use the tax code to your benefit.
- **Tax Diversification** – Choose your future tax rates by having planned options to reduce overall tax liability in meeting your future expense needs.
- **Align** – Tax Planning with Life Events

Insurance Analysis

- **Match Coverage to Needs** – Regularly review life, disability, and property coverage to keep pace with life changes.
- **Minimize Cost** – Unnecessary premiums and expenses are a drag on cash flow and require more return on your savings to offset. Don't be overinsured.
- **Understand** Policy Details – Know the terms, exclusions, and benefits of each policy to avoid surprises.

Estate Planning

- **Keep Documents Current** – Update wills, trusts, and beneficiary designations after major life changes.
- **Minimize Taxes and Delays** – Structure your estate to reduce tax liability and avoid probate where possible.
- **Communicate** your values – Leave a legacy that's more valuable than dollars and protect future Thanksgivings.