

# 5 Components of Financial Planning



www.dedicatedfinancialservices.com

*A comprehensive financial plan needs to incorporate more than just investments. This summary provides a quick overview of the key questions you should ask when considering how the 5 Components of Financial Planning can help you achieve your Life Goals, Hopes and Dreams™. It is essential that you align your financial resources with those things that matter most to you to "Bring Your Money to Life"™.*

## These are the questions you want to ask yourself when you wonder if you can improve your financial outlook.

### 1) GENERATING INCOME

- What is (or will be) my retirement income from Social Security and pensions, and how much additional income will I need throughout my life?
- How will I fill the "income gap" from my portfolio to meet my needs for the rest of my (and my spouse's or partner's) life without running out of money?
- Am I taking withdrawals from the appropriate accounts and investments?
- What will be the impact on income for the survivor when I or my spouse or partner pass?

### 2) CREATING WEALTH

- Can I get a better return in any allocations within my portfolio without increasing my risk?
- Are the investment fees I am paying providing me better investment results or other financial planning benefits?
- Do I have the right amount of cash on hand—enough to meet emergencies but not too much being unproductive?
- Do I have the appropriate amount of risk in my portfolio to meet my need for growth and be comfortable with potential investment losses I may incur?

### 3) MINIMIZING TAXES

- Are there opportunities for me to reduce taxes by using more tax-efficient donation strategies and investments?
- How will Social Security income or Required Minimum Distributions I may start taking in the future affect my tax bracket?
- How will future tax rate increases affect me and is it wise to continue deferring taxes on my IRA, 401k or other retirement accounts?
- How will my or my spouse's passing effect the tax bracket of the survivor and is there any planning we should be doing at this time?

### 4) NEUTRALIZING RISK

- Do I have the right liability insurance coverages in place to protect me adequately?
- How will I pay for potential medical bills and nursing home costs in the future? Am I concerned about the possibility of needing nursing home care?
- Am I or a loved one at financial risk due to one of us passing? Would a life insurance policy be beneficial or should any policies in place be canceled?

### 5) TRANSFERRING WEALTH

- Are the intended beneficiaries listed on all my financial accounts and insurance policies?
- Do I have the proper end-of-life legal documents in place? Are they current? Should I consider setting up a trust?
- Does my executor know the details of my finances and what actions needs to be taking if I am incapacitated or pass away?

To know whether your money is being maximized to help you achieve your Life Goals, Hopes and Dreams™ it is essential that you identify both you short- and long-term goals in retirement and the legacy you may leave. A good Financial Advisor will help you work through these questions to set up an effective Financial and Retirement Plan.

#### NOTE

*Not all Financial Advisors address the 5 components of Financial Planning. Make sure yours does!*

Generating Income

Creating Wealth

Minimizing Taxes

Neutralizing Risk

Transferring Wealth

*If any of these areas are NOT being adequately addressed seek professional assistance—whether starting to work with a financial advisor for the first time or replacing the one you are currently using. For best results consider engaging a Certified Financial Planner™ practitioner who has a fiduciary obligation to act in your best interest.*

## CONSIDER TWO POSSIBLE ACTION STEPS NOW:

➤ Reach out for a free consult.

➤ Take our Survey,  
*Am I Prepared for Retirement?*



www.DedicatedFinancialServices.com | AskUs@dedicatedfinancialservices.com | 866 US-Senior (866-877-3464)