

What makes a good financial strategy?

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When you're going on a journey, there are three essential questions to ensure you have a great trip. How will I get there? How much will it cost? How will I deal with the unexpected? Answering these questions thoughtfully will allow for a more pleasant trip.

A written financial strategy serves the same purpose in the bigger picture of life. When you have a plan for your financial journey, it's easier to decide how you spend money, stay on track, manage unexpected expenses, and achieve your long term goals. It may also help to safeguard your assets when major life changes like retirement, marriage, children, divorce or job loss come along. So what makes a good financial strategy? Here are some critical components it should include¹.

1. **Goals** List all of your financial goals. Consider everything that matters to you, from paying off debt, buying a new home, or saving for retirement, to ensuring you have enough money to live on in your future. List all assets and liabilities you own, including real estate, vehicles, investments, and other assets. Determine your net worth and how it changes over time.
2. **Investment Strategy** Determine your investment strategy based on your goals and risk tolerance. Consider the time horizon for each goal and the expected return on investment.
3. **Insurance** Determine the types of insurance you need to protect your assets and family. This includes life, health, disability, and property and casualty insurance.
4. **Estate Planning** Determine how your assets will be distributed upon your death. This includes creating a will, setting up trusts, and designating beneficiaries.
5. **Tax Planning** Determine how you can minimize your tax liability. This includes taking advantage of tax deductions, credits, and other tax-saving strategies.
6. **Retirement Planning** Determine how much you need to save for retirement and when you should start withdrawing funds.
7. **Charitable Giving** Determine how you can give back to the community through charitable contributions.
8. **Components of a Good Financial Plan** [2]

If you have any questions about the components of a complete financial strategy [contact our office](#). [1]
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