



Helping You Make Wise Financial Decisions

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ON AN HOURLY, FEE-ONLY BASIS

Building a Solid Financial Foundation

11 Questions for a Better Future

Wherever you are in life, it is possible to construct a stronger financial future for yourself and your family. The first building blocks? Figure out where you are, what you want, and how you plan to get there. These eleven questions will help you set concrete goals and build a solid financial foundation to take control of your financial life.

1) What kind of lifestyle is important to you now and in the long term?

Be clear about what you value in life and how you want to live... both now and in retirement. Financial decisions are all about priorities.

2) What are your spending and saving patterns?

Know how much you spend, what you spend it on, and why. If you're not sure, keep track of your expenditures. Tally up your monthly and annual savings, both in dollars and as a percent of income. These are key steps towards understanding your financial attitudes and habits and how they affect your overall financial health.

3) Do your financial habits support your life goals?

Do your spending and saving habits support your priorities and values? Change your behavior to accomplish the goals most important to you.

4) How much -- and what type of -- debt do you carry?

Are you paying your credit card bills in full each month or are you just making the minimum payment? Consider refinancing your home and auto loans, or accelerating payments. Optimize your student loans. Pay as you go!

5) Do you know your net worth?

Add up what you own; subtract what you owe. Knowing your net worth and how it changes over time is an important piece of the financial planning puzzle.

6) Are your investments working for you?

Understand your individual investments and your portfolio's level of diversification and expected return, volatility, and expenses. Are they a fit for you?

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7) Do you utilize tax strategies?

Learn the tax implications of changes in your taxable income. This is relevant to decisions about retirement plan contributions, deferred compensation, capital gains, charitable donations, and Roth conversions. Evaluate whether your different types of investments are located in the most appropriate type of account.

8) Do you manage your risks well?

Insure the financial risks that you cannot afford to take. In addition to home, health, and car insurance, are life insurance, disability insurance, long-term care insurance, umbrella insurance, and longevity insurance right for you?

9) Are your ultimate wishes known?

Ensure that your health care wishes are followed and that you pass on your financial legacy as intended. Update your estate planning documents (will, trust, advance health care directive, powers of attorney, etc.) to reflect changes in your circumstances and goals and the latest estate tax laws. Update the beneficiary designations for your financial accounts and life insurance.

10) Are you informed about personal finance? Is your family?

Learn from personal financial magazines, books, and workshops. (And teach your kids!) But don't watch too much TV on the topic. The talking heads tend to be hyperbolic. Seek the advice of a financial professional who is a financial fiduciary and is, therefore, morally, ethically, and legally bound to put your interests first. (And understand how and how much they are charging you.)

11) Do you have a financial plan?

Determine where you are now, where you want to be, and the steps needed to get from here to there. Put it in writing. Whether detailed or simple, it serves its purpose if it matches your needs.

*An investment in knowledge always pays the best interest.
– Benjamin Franklin*

