

## 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 include<sup>1</sup>.

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 the day after tomorrow. List all assets and liabilities you own, including cash, stocks, bonds, real estate, and other investments. Determine your net worth and how it has changed over time.
2. **Investment Strategy** Determine your investment strategy based on your goals, risk tolerance, and time horizon. Consider the types of investments you want to make and how you will manage them.
3. **Insurance** Determine the types of insurance you need to protect your assets and family. Consider life, health, disability, and property/casualty insurance.
4. **Estate Planning** Determine how your assets will be distributed after you die. Consider wills, trusts, and other estate planning tools.
5. **Tax Planning** Determine how you can minimize your tax liability. Consider deductions, credits, and other tax planning strategies.
6. **Retirement Planning** Determine how you can save for retirement. Consider 401(k), IRA, and other retirement savings plans.
7. **Charitable Giving** Determine how you can give back. Consider charitable deductions and other giving strategies.
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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