

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 home, saving for retirement, to protecting your family's future. List all assets and liabilities.
2. **Investment** - Determine how you will invest your money. Consider your risk tolerance, time horizon, and goals.
3. **Insurance** - Make sure you have the right insurance policies in place to protect your family's future.
4. **Tax** - Understand how taxes will affect your financial goals and make adjustments accordingly.
5. **Estate** - Make sure you have a will and other estate planning documents in place.
6. **Retirement** - Determine how much you need to save for retirement and when you should start withdrawing.
7. **Charitable** - If you have charitable goals, make sure you have a plan to fund them.

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