

What makes a good financial strategy?

Posted on: October 10, 2022

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, or funding your children's education to your 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 adequate life, health, and disability insurance. Consider long-term care insurance as well.
4. **Tax** - Work with a tax professional to make sure you are taking full advantage of all tax-saving opportunities.
5. **Estate** - Make sure you have a will and that your assets are properly titled.
6. **Retirement** - Make sure you are saving enough for retirement and that you are using the right vehicles.
7. **Charitable** - If you have charitable goals, make sure you are using the right vehicles.

[8 Components of a Good Financial Plan](#) [2]

Copyright © 2022 AdvisorNet. All rights reserved. This article is provided for informational purposes only and is not intended to be used as a basis for investment decisions. Limeridge Financial does not guarantee the accuracy of the information and is not liable in any way for any error or omission.

Tags: [retirement planning](#) [3]

Source URL: <https://limeridge.com/e-newsletter/2022/2022-10/article-1.htm>

Links

[1] <https://limeridge.com/contact-us> [2] <https://www.schwab.com/financial-planning-collection/8-components-of-good-financial-plan> [3] <https://limeridge.com/taxonomy/term/15>