



Financial Planning Process—Summary

Basic Information

- ◆ Husband and wife have become concerned about their personal financial situation because the past six months, they have needed to use their savings to cover living expenses. They recognize that if they continue to use savings to pay their living expenses, it could jeopardize their retirement, their children's college education, and other long-term goals.
- ◆ They have noticed significant increases in the amount of income taxes they are paying.
- ◆ They are concerned about the riskiness of their investment portfolio.
- ◆ They realize their estate planning documents have not been reviewed for ten years.
- ◆ They cannot remember the last time any of their insurance coverages were reviewed.

Goals and Objectives

- ◆ Husband and wife want to stop using their savings to pay living expenses.
- ◆ They want to start saving more for their retirement and for their children's college education.
- ◆ They want to see if they can reduce their income taxes.
- ◆ They want their estate planning documents and insurance coverages reviewed.

Proposed Concept

- ◆ Husband and wife will meet with a financial planning professional to discuss their concerns and to initiate the financial planning process.
- ◆ They will gather the information and documents requested by the financial planning professional, and meet with the financial planning professional to discuss this information.
- ◆ The financial planning professional will analyze the financial data and evaluate the client's current financial situation. The financial planning professional will develop a Balance Sheet, Income Statement,

and a projected year-by-year Cash Flow Analysis.

- ◆ The financial planning professional will develop a financial plan; and will recommend, explain and help implement strategies that assist the client in achieving their financial goals in the following areas:
 - Set a budget to gain control of expenses.
 - Determine major future expenditures, the estimated timing of such expenditures and how to plan for them, specifically addressing planning and saving for retirement and the children's college education.
 - Develop tax-saving strategies which may require collaboration with a CPA or tax attorney.
 - Design an investment plan that will identify appropriate financial instruments that meet the client's objectives and risk tolerance.
 - Work with an estate planning attorney who will review and update the estate planning documents.
 - Have an insurance professional review the insurance coverages and revise where appropriate.

The financial professional will monitor and adjust the plan as needed. Husband, wife, and the financial planning professional will agree to the appropriate regularity of their financial planning meetings in light of their situation.

Financial Planning Process

