

Why do a Personal Wealth Action Plan?

A traditional financial plan can be overwhelming. Planners collect what seems like a million documents at one time, ask a few questions and go silent... sometimes for months. Then they sit clients down, have a 3 hour meeting covering a semester's worth of numbers and education, and end with a million to-dos, then say "good luck".

Even worse is what advisors call a modular plan—just addressing one financial topic. You cannot do retirement planning without talking about a client's children and their needs as well as parents and their needs. It's also impossible to come up with a retirement plan without understanding the investment plan that fits a client's preferences and desires. Furthermore, unless you've dived into distribution strategies, options and taxes, pegging a retirement number is extremely difficult, if not impossible.

I've done literally hundreds of financial plan, which I call Personal Wealth Action Plans and am committed to the process that works best for clients. Normally I break up planning into "bite sized chunks"—it gives time to reflect and follow-up on action items in a reasonable time frame. My preference is for a Personal Wealth Action Plan to take 3 months—it's enough time to get things done and digest the information, but isn't so long that planning drops as a priority.

While I certainly have the 3 inch binder of back up analysis, I work with clients on the information that's critical to their understanding and education of how their financial picture looks. Some canned planning software analysis is GREAT, at other times, the questions that matter to clients is best tackled through an independent analysis. Either way, for the sake of time and meaningfulness, we only review with clients the information that is relevant to accomplishing goals or mission critical to understanding an objective.

This is what you can expect to accomplish after a Personal Wealth Action Plan:

- Cash Flow & Account Planning- this looks at your income, expenses (specifically we'll sort out what dollars are supporting your immediate family versus other family members), taxes, account titling and debt to make sure everything is structured correctly and identify where income is going
- Family Planning if applicable (education, weddings, etc)- I put this last because as we discussed, I'm a big proponent of taking care of yourself first. However, helping our kids get to adulthood is reality, and we'll discuss what you want to provide for them, how to plan for it, and how it impacts other parts of your life (like retirement planning). We will also address eldercare of considerations for parents.
- Investment planning (we need this block in place before tackling retirement)- we work to develop a personalized, diversified investment plan designed for long-term portfolio maximization, not short term trends/gains
- Retirement planning- Putting together the pieces of what you need to retire, what you have for retirement, and a plan to cover any potential gaps
- Worst case scenario/Risk Management planning (death, disability and liability)- I'll review wills, powers of attorney, healthcare directives, disability policies, homeowners and auto policies, life policies etc to make sure they're doing what they're supposed to and sufficient for your needs. It's important to note that I was a licensed insurance agent for years and am familiar with policies, but do not sell or broker insurance so you're getting a neutral (but qualified) third party review of what you have

The best part of all this? When you are committed to an action item, I'll make sure it gets done. Because isn't that the whole point?

