



## BASIC FINANCIAL PLANNING CHECKLIST

It can be very easy to put off taking care of your long-term financial affairs. Here is a checklist to help you identify steps to put you on the road to a secure (and less stressful) financial future.

**DEVELOP A FINANCIAL RESERVE**

Date Prepared \_\_\_\_\_

Being prepared (with 3 to 6 month's living expenses) can help relieve some of the financial anxiety we often feel.

Consider an automatic savings plan with some amount being deposited into a savings account from each paycheck. The fund will grow and you may end up not even missing what is saved each month.

**Recommended actions:**

- Enroll for direct deposit of your payroll or government checks.
- Enroll for an automatic savings plan to transfer \$\_\_\_\_ to your savings account each month.

**Actions needed:**

1. \_\_\_\_\_  
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2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
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**GET RID OF HIGH INTEREST RATE CREDIT CARD DEBT**

Date Prepared \_\_\_\_\_

Interest rates on some credit cards are high. If you are carrying over balances and paying interest, cut down on your card use, pay more than the required monthly minimum and eliminate this expense.

Also, you may want to consider a different credit card that offers a lower rate.

**Recommended actions:**

- Review credit card terms to find the one that is right for you.

**Actions needed:**

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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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**BASIC FINANCIAL PLANNING CHECKLIST** CONTINUED

**DEVELOP A HOUSEHOLD BUDGET**

Date Prepared \_\_\_\_\_

This is often one of the most dreaded parts to being financially responsible. To make the process less dreaded, call it a “household spending analysis.” Determining how you spend your money will probably lead to identifying how to reduce some expenses.

**Recommended actions:**

- Download a household spending analysis worksheet.

**Actions needed:**

1. \_\_\_\_\_  
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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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**SAVE FOR RETIREMENT**

Date Prepared \_\_\_\_\_

Start with your employer’s retirement plan. Review the details to ensure you get as much of the “company match” as possible.

After considering your employer’s plan, consider contributions to an IRA or Roth IRA. The tax deferred compounding aspects of these plans enable your funds to grow faster.

**Recommended actions:**

- Meet with a financial advisor to determine how the investments within your employer plan fit within your overall investment strategy.
- Contribute to an IRA for yourself and your spouse.

**Actions needed:**

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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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## BASIC FINANCIAL PLANNING CHECKLIST CONTINUED

### BE SENSITIVE TO TAXES

Date Prepared \_\_\_\_\_

No one likes to pay more income taxes than absolutely necessary.

Be aware of the opportunity of deducting certain items like mortgage interest, state and local taxes, charitable contributions and certain medical expenses. Also, consider the preferential tax treatment from capital gains on your investments.

#### Recommended actions:

- Meet with a financial advisor to review your investment portfolio at least annually.

#### Actions needed:

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3. \_\_\_\_\_  
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### HAVE A SENSIBLE INVESTMENT STRATEGY

Date Prepared \_\_\_\_\_

Start with an asset allocation goal that divides your investments into equity, fixed income and cash investment categories.

Your initial asset allocation should be based on your time horizon (age) and how you feel about taking risks. The younger you are and the more comfortable you feel with risk, allocating a larger portion of your funds to equities may help you earn the higher returns of stocks that have historically been available.

Remember that all investments involve risk and that past performance is no guarantee of future results.

#### Recommended actions:

- Meet with a financial advisor to help you create an asset allocation and investment strategy that is suited for your needs.

#### Actions needed:

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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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## BASIC FINANCIAL PLANNING CHECKLIST CONTINUED

### BE ADEQUATELY PROTECTED

Date Prepared \_\_\_\_\_

Insurance provides protection against the unknown.

Make sure your possessions, life and health are adequately insured.

Examine the level of deductibles and the coverage amounts to get the protection you need at the lowest cost.

#### Recommended actions:

- Meet with an insurance professional to review all your homeowners, auto and life insurance needs.

#### Actions needed:

1. \_\_\_\_\_  
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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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### TAKE CARE OF ESTATE PLANNING

Date Prepared \_\_\_\_\_

Having a well thought out will can ensure that your assets are distributed as you desire on your death and can help reduce any estate taxes that may be due. But estate planning is more than reducing taxes.

Your estate plan should include documents that designate someone to make financial decisions if you are incapable of making them (durable power of attorney for finances) and that designate someone to make medical decisions if you are incapacitated (durable power of attorney for health care).

#### Recommended actions:

- A trust professional can review your current estate plan, suggest changes and establish any trusts or other arrangements you may need.

#### Actions needed:

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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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## BASIC FINANCIAL PLANNING CHECKLIST CONTINUED

**FINALLY, ORGANIZE YOUR RECORDS**

Date Prepared \_\_\_\_\_

Having a system for handling monthly expenses can reduce the stress and time needed to handle your everyday finances.

Using a system to keep track of investment and tax records will make every tax season less “taxing.”

Keep other important information organized.

Having to hunt for the name of your insurance agent, an account number, a frequent flyer number or any other bit of information can be a waste of time.

**Actions needed:**

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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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**Recommended actions:**

- A wide selection of worksheets and other forms are available to help you organize your finances. See the worksheet section of this Resource Center.