

What makes a good financial strategy?

Oct 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, or saving for retirement, to whatever you want to do for your future. List all assets and liabilities you own, including cash, investments, real estate, and other assets. Determine your net worth and how it changes over time.
2. **Investment Strategy** Determine your investment strategy based on your goals, risk tolerance, and time horizon. Consider the types of investments you want to make and how you want to manage them.
3. **Retirement Planning** Determine your retirement needs and how you want to fund them. Consider the types of retirement accounts you want to use and how you want to manage them.
4. **Estate Planning** Determine your estate needs and how you want to fund them. Consider the types of estate planning tools you want to use and how you want to manage them.
5. **Tax Planning** Determine your tax needs and how you want to fund them. Consider the types of tax planning tools you want to use and how you want to manage them.
6. **Insurance** Determine your insurance needs and how you want to fund them. Consider the types of insurance policies you want to use and how you want to manage them.
7. **Charitable Giving** Determine your charitable giving needs and how you want to fund them. Consider the types of charitable giving tools you want to use and how you want to manage them.
8. **Components of a Good Financial Plan** [2]

If you have any questions about the components of a complete financial strategy [contact our office](#). [1]
Copyright © 2022 AdvisorNet Communications Inc. All rights reserved. This article is provided for informational purposes only and is not intended to constitute an offer or recommendation. The information is not intended to be used as a basis for investment decisions and 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://distinction-blue.advisornet.ca/e-newsletter/2022/2022-10/article-1.htm>

Links

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