

Financial Planning Checklist

Financial Plan Element	Check off when complete (✓)
A. High-level summary of your household’s circumstances, including the ages of all family members, their states of health and status as students, dependents, wage-earners, etc.	
B. Household priorities and goals , such as: -Cover our children’s college education -Retire at age 60 -Protect family against the death of a breadwinner -Take care of an elderly parent -Maintain current standard of living in retirement -Set aside a sufficient emergency or rainy-day fund	
C. An assessment of household net worth . Net Worth is a formal term for your nest egg. It is calculated by subtracting all your debts from the total assets owned by your household.	
D. A recent annual budget quantifying all income and expenses. The budget shows whether your household is living within its means or overspending. It also approximates how much excess cash you generate annually to fund additional investments.	
E. An assessment of your investing time horizon and tolerance for risk-taking . These two factors are typically measured using a questionnaire. The questionnaire results direct you to investments deemed appropriate to your comfort level with, and ability to withstand, risk.	
F. A specific asset allocation recommendation consistent with your risk tolerance preferences. If you have high risk tolerance you’ll be directed to form a riskier portfolio. If your tolerance for risk is low you’ll be directed to a low-risk portfolio.	
G. A retirement planning forecast of your expected total nest egg as a retiree, and an assessment of the income you can realistically expect to receive each year in retirement from that nest egg. The forecast highlights any gaps between your <i>currently anticipated</i> and <i>desired</i> outcomes and provides guidance on how to get from the former to the latter.	
H. Summary of existing insurance policies and recommended amendments to address any coverage gaps. The objective is to properly protect the household (people and property) in the event of death or disability of a wage-earner, an accident causing damage to property, or liability for injury to a person.	
I. Analysis of children’s college education funding needs and recommendations for contributions to education savings accounts such as 529 College Savings Plans.	
J. Estate planning recommendations including a Will stating how your assets are to be distributed upon your death, and any other directives governing your medical care and financial decisions in the event you are incapacitated.	
K. A list of specific recommended actions aimed at closing any gaps identified during the analysis to put you on a successful financial path.	