

# Organization & Planning are YOUR KEYS to Financial Success

In support of the Improving Financial Awareness & Financial Literacy Movement built around the strategic venues of

- Financial Literacy Month (April)
- Estate & Gift Planning Awareness Month (October)

This article contains a very important message

Managing personal finances today is more complicated and more important than ever. We're living longer, but saving proportionately less. Scores of us feel less secure in our jobs and homes than we did in the past. We see our money being drained by the high cost of housing, taxes, education, health care,



while dealing with the uncertainty of investments and our economy. We worry about the future, or unfortunately in many cases, simply try not to think about it.

With so many people on the path to or verge of running out of money before their life expectancy, many families burdened with large amounts of student loans and other forms of debt, and more than half of our adults not having up-to-date estate and financial plans to protect themselves and their families, we have a serious problem. This lack of financial awareness and financial literacy places a HUGE growing amount of pressure on families and friends, employers, nonprofits; as well as the government.

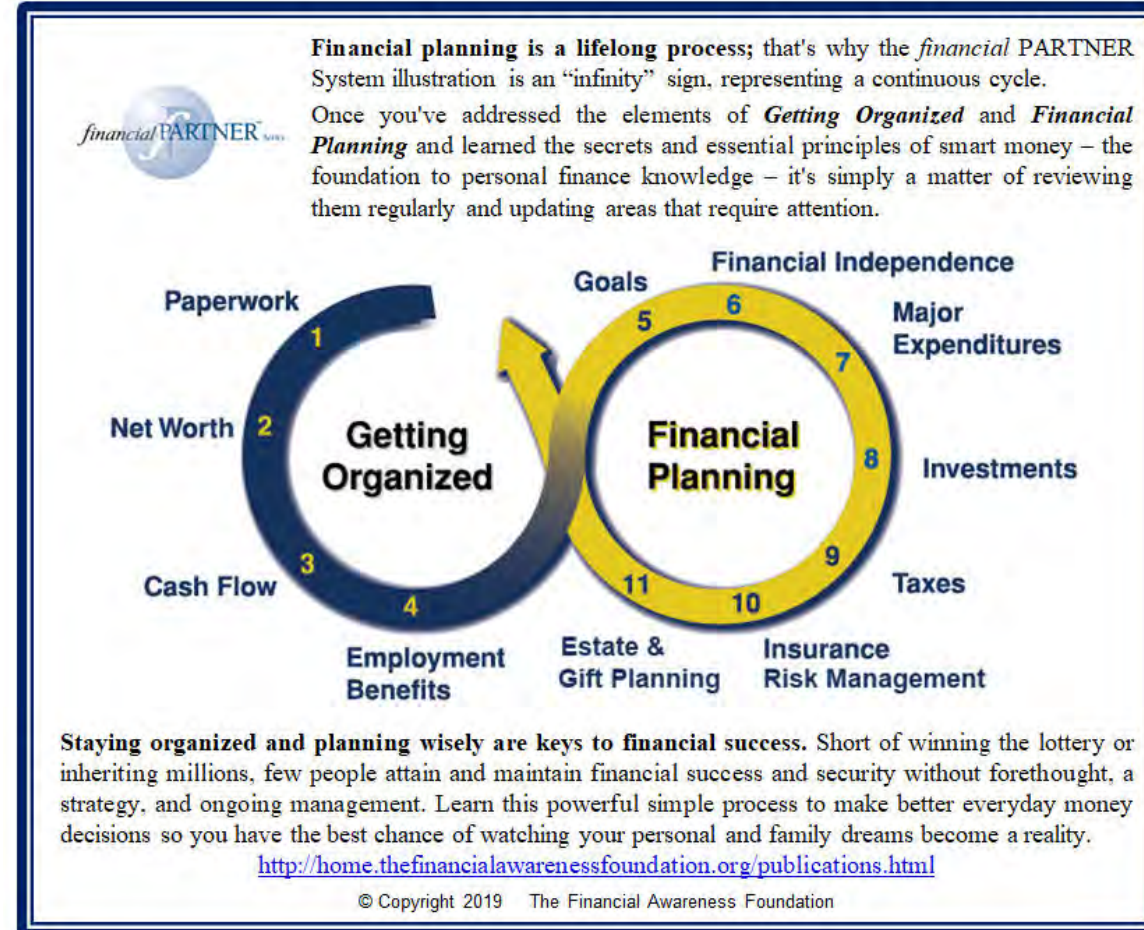
There is a real solution to this lack of financial awareness and financial literacy epidemic that revolves around better educating the general public, financial service and nonprofit professionals to the **essential principles to smart personal financial management** while motivating them to take appropriate actions. People need access to better personal financial management tools and information, to communicate and work more effectively with their financial advisors, and to make better every day informed money decisions.

Sensible financial management means much more than budgeting and putting money away for retirement. It's being equipped to handle a lifetime of financial challenges, needs and changes, figuring out how to build assets and staying ahead of inflation, taking advantage of deflation, and choosing wisely from a constantly widening field of savings,



## ANNUAL FINANCIAL PARTNER CHECKLIST

- 1. Keep an updated Things To Do list
- 2. Keep a financial calendar for action
- 3. Organize your paperwork
- 4. Get an accurate picture of your net-worth
- 5. Use a workable cash-flow plan
- 6. Save money with cost-cutting and money-making strategies
- 7. Learn how to make the most of your employment benefits
- 8. Define what really matters to you
- 9. Understand the planning processes
- 10. Investing for your financial independence and retirement
- 11. Begin planning for major expenditures
- 12. Develop / implement a tax-reduction plan
- 13. Review your risk management; purchase only the insurance you and your family need
- 14. Create or update your estate & gift plan



investment and insurance options. When it comes to finances, people are faced with more pressures and more possibilities than ever before.

The good news is that as complex as today's financial world is, there's no real mystery to sound personal money management. You don't need a master's degree in finance or accounting to get ahead.

What you do need are the solid basic principles of organization, personal finance, and decision-making, plus the willingness to put them into action. Anyone with a fundamental education and the desire to handle money wisely can do it.

Effective financial management does involve certain procedures that you don't automatically learn from your parents or associates – and they certainly aren't taught in our schools. It's more than just a matter of gathering enough information and then making a logical decision. In fact, for many people, the constant bombardment of economic news, fragmented financial information and investment product advertisements is part of the problem. Information overload can be a major obstacle to sorting out choices and making wise decisions.

**To save time and money, and help you to better manage your finances, over the years** we developed a personal financial management system called Your *financial PARTNER*. It's a clear, step-by-step process designed to save you time and money and puts all the essential areas of personal finance in front of you with their core principles.

The process centers on helping you to get organized, on staying aware of your money issues, and on making deliberate choices about the ways you spend, save



and invest instead of following your emotions or simply "going with the flow." The illustration above represents the Your *financial PARTNER* System, an 11-part process that's divided into two phases: Getting Organized and Financial Planning.

### GETTING ORGANIZED

**1. Paperwork:** Everyone has some primary financial documents – bank and brokerage statements, retirement plan statements, tax returns, insurance policies, passwords, digital paperwork, etc. Keep this information in a central location and tie it into your filing system.

**2. Net Worth:** Know where you stand by inventorying what you own and what you owe. Do this at least annually.

**3. Cash Flow:** Gain control of your cash flow by spending according to a plan, not impulsively.

**4. Employment Benefits:** Understand and utilize your employment benefits fully; they can improve your cash flow. Any amount your employer contributes toward your health insurance, life insurance, retirement and other benefits is money you don't need to spend.

### FINANCIAL PLANNING

**5. Goal Setting:** Before you begin the financial planning process, ask yourself what's really important to you, financially and personally. These are key elements of planning your future; it affects your decisions and choices.

**6. Financial Independence and Retirement Planning:** A comfortable retirement, perhaps at an early age, is one of the most common reasons people become interested in financial planning. Determine what is a reasonable "nest egg" to reach and maintain your level of financial independence and how to make it a reality.

### TODAY'S THOUGHT

"Great things are not done by impulse, but by a series of small things brought together"

~ Vincent Van Gogh

**7. Major Expenditures Planning:** A home, a car and your child's college education – these are all "big ticket" items that are best planned for in advance. Develop financial strategies early on for effectively achieving the funding needed for those "big bills" down the road.

**8. Investments Planning:** For most of us, wise investing is the key to achieving and maintaining our financial independence, as well as our other financial goals. Establish your investment goals, assess your risk tolerance, and then select an asset allocation model that best fits your situation.

**9. Tax Planning:** Your financial planning should include tax considerations, regardless of your level of wealth. Proactively take advantage of opportunities for minimizing you tax obligations.

**10. Insurance / Risk Management Planning:** Decide what to self-insure and what risks to pass off to insurance companies and at what price.

**11. Estate & Gift Planning:** Develop or update your estate plan. If you get sick, or die without an up-to-date estate plan, rich or poor or some ware in-between the management and distribution of your assets can become a time-consuming and costly financial challenge for your loved ones and survivors.

### Complimentary Copy of the Your *financial PARTNER* System



In the spirit of Improving financial awareness & financial literacy we would like to share with you a complimentary copy of Your *financial PARTNER* System. To get your free copy click here.

[www.TheFinancialAwarenessFoundation.org](http://www.TheFinancialAwarenessFoundation.org)



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"Improving financial awareness & financial literacy"

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