



Steven M. Ellard, CPA

*Guiding clients toward financial success.*

# WHAT'S YOUR financial plan



**W**hatever your financial goals in life – whether they include buying a new house, taking a trip to Europe, funding your children's college educations, having enough money for

a comfortable retirement, or all of the above – you'll find them easier to reach if you do some planning. Here's an action plan to put you in control of your financial life.

## A nine-step action plan

**1 Take a financial inventory.** Determining your net worth is the starting point for everything else you do in financial planning. Use the form below to arrive at your net worth. Then ask yourself the following questions:

- Does your net worth statement reflect a preference for personal spending (such as cars, jewelry, and recreational items) rather than investments that will increase in value or produce income?
- Do you have too much debt, especially for personal consumption?
- Do your assets show proper investment diversification?
- Will you have money in retirement?

**2 Next, set your financial goals.** These should include both near-term goals such as protection against job loss, illness, or other disaster and longer-term goals for retirement or your children's education.

**3 Develop strategies to achieve your goals.** Come up with a one-year plan, a three-year plan, and a five-year plan – even longer if you can anticipate that far ahead.

The secret is to save regularly, no matter how little you put aside each month. Be sure to take advantage of all your tax-deferred opportunities to save, such as retirement plans.

**4 Review all of your investments** – those in your retirement plan as well as your other investments. Do your investments fit your current financial situation, age, and risk tolerance? Are you properly diversified over a range of investment categories? Don't overlook the tax ramifications if you decide to switch investments.

**5 Use the tax law to your advantage.** Keep records so that you get all the deductions and credits to which you are entitled. Be sure not to overpay your taxes through excessive withholding because you like getting a big refund. You're actually lending your money to the government interest-free when you could be investing it yourself.

**6 Carry the right insurance,** which means, very simply, be adequately insured on your possessions, your life, and your health without being over-insured.

**7 Make a will.** It's estimated that two-thirds of all Americans do not have a will. This very essential document is necessary if you have assets that you want to go to particular individuals upon your death. If you have minor children, your will should name guardians for them in the event that something happens to you and your spouse.

**8 Put your plan into action.** A plan is no good if it lies in a drawer. Once you've decided what you need to do, whether it be cutting expenses, opening a retirement account, or rebalancing your investment portfolio, do it.

**9 Review your financial program annually.**  
 Measure your progress toward your one-year, three-year, and five-year goals. Make adjustments as needed. If at some point you change your lifestyle or your family situation, you may need a major overhaul of your financial plan.

Don't think of financial planning as something you do once and then forget it. Think of it as an on-going process that needs regular review and fine-tuning. For assistance in establishing or reviewing your financial plan, give us a call. We're here to help you.

## Net Worth Statement

Name \_\_\_\_\_ Date \_\_\_\_\_

▶ <b>ASSETS</b> (what you own)	Estimated Current Value		▶ <b>LIABILITIES</b> (what you owe)	Amount
Cash			Current bills	
Checking account	\$ _____		Credit cards	\$ _____
Savings account	_____		Charge accounts	_____
Money-market account	_____		Medical and dental	_____
Other	_____		Other (categorize and list) –	_____
Securities				_____
Stocks	_____		Taxes	
Bonds	_____		Income	_____
Mutual funds	_____		Real estate and personal property	_____
Other	_____		Other	_____
Real estate			Mortgages	
Residence	_____		Residence	_____
Other real estate (list) –	_____		Other property (list) –	_____
Business interests (list) –	_____			_____
	_____		Loans	
	_____		Auto	_____
Retirement funds			Home improvement	_____
Pension plan at work	_____		Education	_____
Annuity	_____		Life insurance	_____
Other retirement plans	_____		Other (list) –	_____
Life insurance, cash value	_____			_____
Personal property			Other liabilities (list) –	_____
Automobiles and other vehicles	_____			_____
Household furnishings	_____			_____
Boat, plane, recreation vehicle, etc.	_____		<b>Total liabilities</b>	\$ _____
Antiques, collectibles, art	_____			
Other	_____		▶ <b>NET WORTH</b>	
Other assets (list) –	_____		Total assets	\$ _____
	_____		Minus total liabilities	\$ _____
<b>Total assets</b>	\$ _____		Equals your current net worth	\$ _____



2759 Main Street • P.O. Box 2241 • Brewster, MA 02631  
 (508) 896-3377 • FAX (508) 896-0001  
 info@stevenmellardcpa.com • www.stevenmellardcpa.com