

# The Need for Financial Planning

Building a successful financial plan can be confusing. As we construct a plan, we find that our financial lives have many scattered pieces.



## The Pieces of the Puzzle

Some of the financial issues that each person can expect to face during his or her lifetime include:

- **Cash management:** More than just balancing the checkbook, cash management includes preparing (and following) a budget, using credit wisely, and keeping the income tax burden to the lowest level possible.
- **Risk management:** There is risk of loss of both life and property. Life insurance can be used to protect a family against the risk of premature death. Disability insurance can protect against the loss of a person's ability to earn a living. Property and casualty insurance can protect our worldly goods against accident and such perils as fire, flood, earthquake and theft.
- **Accumulation goals:** We all need to save money for some reason. Educating our children is one very common goal. Buying a home and building an investment portfolio are two other typical accumulation goals.
- **Retirement:** Taking action today to insure that the later years are as comfortable and worry-free as possible.
- **Estate planning:** Recognizing that death is inevitable and planning for the ultimate transfer of our assets to our heirs.