



A View from the Top: What's Involved in Financial Planning

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What type of lifestyle do you envision in retirement? Do you have a goal of owning a new home or paying for your child's college education? Maybe you have always dreamed of owning your own business. Many of you have financial goals like these but the current economic environment may have caused these visions to get a bit murky.

Understanding whether a targeted goal is feasible involves financial planning. This is a process that helps you evaluate your whole financial picture and outline strategies that can help you accomplish your goal. Everyone's circumstances are unique and a well thought out financial plan will take individual factors into account.

Taking the time to devise a plan is important as it will serve as the foundation for organizing the pieces of your financial picture. Having a plan in place will help you focus on your goals and understand what it will take to reach them.

One of the benefits of having a plan is that it can help you understand if you have a clash in financial priorities. Setting aside money for retirement every month as well as for a child's education can have a strain on one's budget. Knowing this becomes important in order to prioritize your goals. Once known, you can make better decisions about specific strategies, products and services needed to accomplish your goals. Most importantly, your stress level should be lower knowing you have some financial decisions on track.

If you are someone who thinks financial planning is a painful process and are hesitant to initiate anything, it is important to remember that financial goals less defined are much less likely to happen. The process starts by working with a financial professional who can:

- Help develop a current financial statement, evaluate your investment portfolio, your insurance coverage, tax exposure and your estate plan

- Assess financial goals and define a time frame for achieving these goals
- Implement strategies for accomplishing the goals
- Monitor your plan and make suggestions to adjust the plan as needed

Depending on your circumstances, the financial planning process can involve different professionals. Financial planners can play a pivotal role in the process by focusing on your plan and coordinating with other professionals who have expertise in essential areas. Accountants and tax attorneys are often involved in order to provide advice on federal and state tax issues. An estate planning attorney will help plan your estate and give advice on transferring and managing assets before and after death. Investment professionals work with you to determine investments that are appropriate for your circumstances. Finally, insurance professionals help manage the risks that could disrupt the overall plan.

The one person who needs to be actively engaged in the process is you. Making the decision to move forward after considering a recommendation is your responsibility.

Many of you can complete parts of this process yourself if you have the time, knowledge and most importantly, the desire. There are numerous resources available to help you through certain aspects of a plan. The challenge however is feeling comfortable with what you have implemented yourself. Working with a financial professional in conjunction with some of the decisions you are considering alone can relieve stress and save you time.

The planning process does not and should not end once aspects of the plan have been implemented. Tax time can be a good time of the year to review the plan since financials are already fresh on your mind. There are numerous reasons why elements of a plan may need to be modified such as a job loss, marriage, birth of a child or long-term care expenses.

The process of financial planning does not need to be cumbersome. With the right team it should reduce your time and stress and provide a track for achieving your goals.

If you would like more information on this topic, please contact Brian Cose at 800-791-8994 or bcose@hkfs.com.

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