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What makes a good financial strategy?

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When you're going on a journey, there are three essential questions to ensure you have a great trip. How will I get there? How much will it cost? How will I deal with the unexpected?

Answering these questions thoughtfully will allow for a more pleasant trip.

A written financial strategy serves the same purpose in the bigger picture of life. When you have a plan for your financial journey, it's easier to decide how you spend money, stay on track, manage unexpected expenses, and achieve your long term goals. It may also help to safeguard your assets when major life changes like retirement, marriage, children, divorce or job loss come along. So what makes a good financial strategy? Here are some critical components it should include¹.

1. **Goals** – List all of your financial goals. Consider everything that matters to you, from paying for your child's education to saving for retirement. Start by prioritizing your most important goals.
2. **Assets** – Inventory all of your assets, including cash, investments, real estate, and other valuable property.
3. **Liabilities** – List all of your debts, including mortgages, car loans, credit cards, and other outstanding obligations.
4. **Income** – Determine your current and projected income, taking into account any potential changes.
5. **Expenses** – Track your current expenses and identify areas where you can reduce costs.
6. **Insurance** – Review your current insurance policies to ensure you have adequate coverage.
7. **Investment Strategy** – Develop a long-term investment strategy based on your goals and risk tolerance.

For more information about the components of a complete financial strategy, [contact our office](#).

¹ 8 Components of a Good Financial Plan [2]

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