

## 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 include<sup>1</sup>.

1. **Goals** List all of your financial goals. Consider everything that matters to you, from paying off debt, buying a new home, or saving for retirement, to ensuring you have enough money to live on in your future. List all assets and liabilities you own, including cash, investments, real estate, and other assets. Consider how you will use these assets to achieve your goals.
2. **Assets** List all assets you own, including cash, investments, real estate, and other assets. Consider how you will use these assets to achieve your goals.
3. **Liabilities** List all liabilities you own, including cash, investments, real estate, and other assets. Consider how you will use these assets to achieve your goals.
4. **Income** List all sources of income you have, including salary, dividends, interest, and other income. Consider how you will use this income to achieve your goals.
5. **Expenses** List all expenses you have, including housing, food, transportation, and other expenses. Consider how you will use this income to achieve your goals.
6. **Investments** List all investments you have, including stocks, bonds, and other investments. Consider how you will use these investments to achieve your goals.
7. **Retirement** List all retirement plans you have, including 401(k), IRA, and other retirement plans. Consider how you will use these plans to achieve your goals.
8. **Components of a Good Financial Plan** [2]

If you have any questions about the components of a complete financial strategy [contact our office](#). [1]  
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