

Financial Planning the Right Way: Mapping your future with a professional financial advisor

*by A. Scott White, CFP®, ChFC, CLU
President, Scott White Advisors*

Anyone can write a financial plan, or at least it seems that way. You can consult your banker, go to a brokerage firm, or hire someone who calls himself or herself a financial planner to prepare a plan for you. Financial planning simply isn't that complicated, right?

Let's consider what's included in a comprehensive financial plan. There's a section on what happens if you died today. Will estate taxes be due? Does your estate have enough liquidity? Another section outlines what happens if you become disabled or need long-term care. Have you saved enough for retirement? And how will you pay for your kids' or grandkids' college education? What about charitable giving, income tax savings, and investment allocation?

The first place to start is selecting the right person to develop a financial plan. Find someone with a fiduciary responsibility such as a Certified Financial Planner™. It is important to seek out someone who will listen to your objectives and design a plan to meet your goals. Be sure the person you choose to draft your initial financial plan is familiar with how the planning you do in one area affects outcome in another. For example, what you do in the area of investment planning can affect your tax planning. What you do to provide for asset protection can affect your estate planning, and so forth.

A sound financial plan should also address how you are expected to behave when placed in a variety of scenarios. The only certainty in life is that the unexpected will always happen. When placed in an unexpected situation, most people will tend to make major decisions based on emotion, and then try to rationalize them, undermining their long-term planning. Therefore, a solid financial plan should be flexible enough to accommodate the unexpected. This is especially true in the investment-planning arena. It is important to have a written investment policy statement to help protect your portfolio from unplanned and impulsive revisions of sound long-term policy. Especially in times of market turmoil, investors without an investment policy statement are inclined to make investment decisions that are inconsistent with prudent investment management principles--and their best interest. Your investment policy provides an agreed-upon and well-thought-out framework from which sound investment decisions will be made.

Many people believe the process ends once the plan is written. But good financial planning means regularly monitoring and adapting strategies to ensure you're meeting your goals. Remember, you're not just trying to create an end product that won't ever need to change. You're developing a map that will help guide you toward financial stability. And regular comparisons of where you planned to be in the future

with where you actually end up can generate important discussions about why you ended up where you are. Are you ahead of plan because your investment portfolio did better than expected, were taxes lower than expected, or maybe you spent less than expected? The reason you end up at a particular place is important to understand because that determines what types of adjustments might be needed for your plan. A financial plan that's developed with the help of a professional financial planner could be the right map to help you reach your financial destination.

Many people can help you prepare a financial plan, but the most successful plans are crafted by professional planners whose allegiance is to you, the client. Professional planners have the credentials and understanding to know how the different areas of financial planning affect one another so they can help determine what is right for you. And professional financial planners will follow up with you after the plan is in place to assist in analyzing deviations from the plan in order to make competent adjustments to steer you away from failure.

Scott White helps families develop and implement successful estate and financial plans. Recognized as one of the top financial planners in the U.S. by the Consumers' Research Council of America, Scott is a Certified Financial Planner™, a Chartered Financial Consultant, a Chartered Life Underwriter, and holds a master's degree in business administration. He is past president of the Southwest Florida Chapter of the American Society of Financial Service Professionals, past president of the Lee County Estate Planning Council, founding president of the Planned Giving Council of Lee County and a member of the Financial Planning Association Southwest Florida Chapter. Scott served on the National Committee on Planned Giving's Leave a Legacy committee. He specializes in meeting the comprehensive financial and estate needs of high net worth families. For more information, visit <http://www.scottwhiteadvisors.com/>. Scott White Advisors is located at 1510 Royal Palm Square Boulevard, Fort Myers, Florida 33919; telephone (239) 936-6300. Securities offered through Raymond James Financial Services, Inc., member, NASD/SIPC.