

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 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. Determine your net worth and how it changes over time.
2. **Assets** List all assets you own, including cash, investments, real estate, and other assets. Determine your net worth and how it changes over time.
3. **Liabilities** List all liabilities you own, including cash, investments, real estate, and other assets. Determine your net worth and how it changes over time.
4. **Income** List all sources of income, including salary, dividends, interest, and other income. Determine your net worth and how it changes over time.
5. **Expenses** List all expenses, including housing, food, transportation, and other expenses. Determine your net worth and how it changes over time.
6. **Investments** List all investments, including stocks, bonds, and other investments. Determine your net worth and how it changes over time.
7. **Retirement** List all retirement plans, including 401(k), IRA, and other retirement plans. Determine your net worth and how it changes over time.
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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