

MANAGING YOUR MONEY

What You Need To Know When Figuring Out Your Financial Future

(NAPSA)—When it comes to financial planning, doing practically anything is probably better than doing nothing, but there are a few pitfalls to avoid on your road to a comfortable future.



Blayney

To help, Eleanor Blayney, CFP®, consumer advocate at Certified Financial Planner Board of Standards, has come up with a list of a dozen steps not to take:

1. Thinking the opportunity has passed you by. While it's true that the younger you start, the better off you'll be, financial planning can be worthwhile at any age.
2. Failing to set measurable financial goals.
3. Making a financial decision without understanding its effect on other financial issues.
4. Confusing financial planning with investing.
5. Neglecting to re-evaluate the financial plan periodically.
6. Thinking financial planning is only for the wealthy.
7. Thinking that financial planning is for when people get older.
8. Thinking that financial planning is the same as retirement planning.
9. Waiting until a money crisis to begin financial planning.
10. Expecting unrealistic returns on investments.
11. Thinking that using a financial planner means losing control.
12. Believing that financial planning is primarily tax planning.

Put Planning To Work

For You

To avoid the mistakes listed, realize that you are the focus of financial planning. The results you get from working with a financial



Peace of mind may be easier to achieve with proper financial planning.

planner are as much your responsibility as they are those of the planner. To achieve the best results from your financial planning, consider the following advice:

- **Set measurable financial goals.** Set specific targets that you want to achieve and when you want to achieve them. For example, instead of saying you want to be “comfortable” when you retire or that you want your children or grandchildren to attend “good” schools, quantify what those words mean so you'll know when you've reached your goals.

- **Understand the effect of each financial decision.** Each financial decision you make can affect several other areas of your life. For example, an investment decision may have tax consequences that are harmful to your estate plans. A decision about your child's education may affect when and how you retire.

- **Re-evaluate your financial situation periodically.** Your goals may change over the years due to changes such as an inheritance, marriage, birth, house purchase or change of job status. Revise your plan as time goes by to

reflect these changes so you stay on track with your long-term goals.

- **Start planning as soon as you can.** People who save or invest small amounts of money early and often tend to do better than those who wait. Similarly, by developing good financial planning habits, such as saving, budgeting, investing and regularly reviewing your finances early in life, you'll be better prepared to meet life changes and handle emergencies.

- **Be realistic in your expectations.** Financial planning is a commonsense approach to managing your finances to reach your life goals. It's a lifelong process and can't change your situation overnight. Events such as recession, inflation, or changes in the stock market or interest rates will affect your results.

- **Realize that you're in charge.** When working with a financial planner, be sure you understand the process and what the planner should be doing. Provide the planner with all relevant information on your financial situation. Ask questions about the recommendations offered and play an active role in decision making.

Choosing a financial planner is a critical decision, so take the time and care to select a trustworthy financial planner, one on whom you can depend for professional advice and services. One of the most trusted credentials for financial advisers is CERTIFIED FINANCIAL PLANNER™, or CFP® certification, which is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board) to individuals who meet its rigorous standards of education, examination, experience and ethics.

For more information, visit www.CFP.net or call (800) 487-1497.