

The Importance of Financial Planning

Personal financial planning provides you with a method for organising your financial future, so you can plan for the unforeseen. Organizing your finances empowers you to be independent and handle unpredicted events in your life. Successful personal financial planning is crucial for anyone who wishes to manage financial difficulties and accumulate wealth.

Without doubt personal finance is a daunting subject and is difficult to comprehend fully, so it is no wonder that so many are inclined to shy away from taking responsibility for their financial lives. But if you never take the time to learn about how your money can work for you, you will never be able to take advantage of its capacity. As with everything in life, a little effort goes a long way. Resolving to rid yourself of financial stress is a courageous choice; it takes discipline and dedication to achieve financial freedom. But once you realise that having a well developed financial plan is central to a prosperous financial future, it becomes easier to commit to saving.



Financial planning is an integrated, personal approach to an individual's well-being. Turning vague goals into concrete plans is like highlighting a route for a road trip on a map. It lets you see how you can reach your destination, while allowing for some interesting pit stops along the way. Creating attainable, measurable goals is the first thing you'll need to do in order to achieve financial security. One task of financial planning is to help you identify the important numbers: How much do you need to save, and by when? Not knowing what you have to do to achieve your goals, how much you'll need to save in order to live comfortably when you retire for example, can trigger anxiety. When you have a clear idea of how much you need to put away each month you can make changes in your budget in order to follow your plan and enjoy the peace of mind that accompanies fiscal mastery.

In order to prepare your financial plan for the future, you'll need to discover where you are today. Pull out all of your accounts and determine how much money you have

saved up, the value of your investments, and what types of investment vehicles hold your money. This will give you a blueprint that will help you make plans to achieve your goals. By assessing how effective your investments are and comparing different investment vehicles, you will be able to clarify what products you should be investing in and determine the risk levels you're willing to commit to, depending on when you'll need to access your savings. A financial blueprint will provide you with a clear picture so that you can figure out how to better manage your finances beginning today.

The future is always uncertain, but in today's global climate, which spells uncertainty wherever you turn, that fact makes financial security increasingly important. Just look at the credit crunch crisis. Because people were not prepared for a turbulent future, many have suffered the consequences. Keep this in mind when you are planning your finances, especially when making arrangements for your retirement savings. Security and financial comfort can be achieved through a good plan that will withstand the toughest of times.

Financial planning can enrich your life.
3 reasons why:

- Most of us are reluctant to talk about retirement. Wanting to avoid the subject is understandable – we try not to think about problems that might occur after we retire because we know we won't have a steady income from employment to get us back on track – but the reality is at some point we will have to realise that in addition to leisure retirement brings its own set of problems, and possibly disasters. Recognizing potential difficulties now can help you make changes before you encounter problems.



Planning for your retirement isn't just about crunching numbers; you're planning for your golden years! To make those years the most enriching, look at your lifestyle now and tweak your current finances and investments to secure a comfortable future. If you choose to work after retirement it should be done willingly to learn something new or stay active within your community. You don't want to end up working because your finances aren't in check.

- Planning for retirement isn't just about planning for the years after you've finished working; it also gives you a sense of comfort and security in the years leading to

your retirement. Planning for retirement reassures you of a financially stable future in which you will have the freedom to pursue the things you always wanted to without worrying about making the smartest career moves. It also relieves your family and loved ones of the pressure to take care of you as you age. This is a benefit to you as well as your loved ones. After a life of independence it can be humbling to put yourself in the care of others. Life after retirement should be just as fulfilling as life before this milestone.

- Financial planning, especially when tackled at an early age, can help give your life focus and help you achieve your short and long-term goals. Financial planning gives you a set of tools to create wealth and build a nest egg that you can use in case of an emergency. Being an active participant in your financial planning also gives you the ability to make informed decisions about investments. When you take control of your financial future you can avoid mistakes and reap the benefits for the rest of your life.

Financial planning and retirement planning work hand in hand. Both must be given serious consideration and put into action in order to live a comfortable life. Securing your future and making your money work for you are two valuable commodities, and two powerful reasons why financial planning and retirement planning is important.

A Few Words of Caution:

When planning for your financial present and future, it's important to seek a qualified professional, such as a Certified Financial Planner. Your financial security is at stake and you don't want to fall into the trap of putting your money into the hands of what is essentially a licensed sales representative who is only trained to sell financial products. When you are sick you see a doctor, not a drug dispenser. You should also be aware of some of the practices of the existing financial distribution system. The transaction oriented financial institutions and their financial advisors depend on transactions to generate commission income. This can lead to the promotion of products that aren't the best fit for you. For the best advice, seek the help of a qualified financial advisor and for a higher level of security, consider recruiting the help of asset protection to get the most from what you earn.