

Ready for Your Financial Review?

Ask these 5 Questions

In a world of ever-changing personal circumstances and economic conditions, annual financial reviews can serve as a compass, helping you prepare for whatever life brings your way. Just as regular health checkups help you catch serious issues before they arise, your annual financial review provides you with the information you need to make informed decisions and strategize the future you want.

Here are five questions to ask your financial advisor during your annual review:

1. Is my financial plan on track?

Life is dynamic and ever-changing — and, as such, your financial plan needs to roll with the punches, too. A number of factors can impact your plan, including:

- **Market Volatility & Inflation:** A financial advisor can assess how economic fluctuations might affect your long-term goals.
- **Life Changes:** New strategies can help you adapt to major life events like marriage, divorce, childbirth, or the loss of a loved one.
- **Income Variability:** Changes in your income — such as raises, bonuses, or job losses — can impact your savings rate and investment strategy.
- **Expense Changes:** Buying a home, sending children to college, or facing unexpected medical expenses require a targeted strategy to manage costs.
- **Tax Laws:** When tax laws change, liabilities or opportunities to save may increase.
- **Ages & Stages:** Over time, risk tolerance, investment goals, and asset allocation naturally evolves, necessitating realignment.

2. Am I saving tax-efficiently?

Optimizing tax efficiency is a key strategy for enhancing your overall wealth. Your advisor can discuss:

- **Asset Location Strategy:** Is most of your money in taxable bonds and real estate trusts? Or are you saving in tax-advantaged 401k and IRAs?
- **Account Utilization:** Do you understand the contribution and withdrawal rules for your tax-advantaged 401(k)s and IRAs?
- **Retirement Withdrawal Strategies:** Does your withdrawal strategy go beyond the traditional hierarchy from taxable, to tax-deferred, to tax-exempt assets? Are you withdrawing no more than 4-5% annually so your savings lasts through retirement?

3. Am I protecting my income?

Shield your financial goals from unexpected disruptions by safeguarding your hard-earned dollars with:

- **Life Insurance:** You may increase life insurance as your family expands — or decrease it to free up retirement funds.
- **Long-Term Care Insurance:** Before illness or aging, review long-term care insurance details with an unbiased third party.
- **Disability Insurance:** Disability insurance can replace a continued income stream should you become unable to work due to illness or injury.
- **Umbrella Insurance:** Umbrella insurance can protect your family from the expense of unexpected events like theft, property damage, or car accidents.
- **Beneficiary Designations:** Life changes, like the birth of a child or a divorce, can require updates to guarantee your benefits are distributed according to your wishes.

4. Am I preserving my assets?

Is your family estate well-positioned for the future? Your financial advisor may explore:

- **Estate Plans:** Incorporate the latest estate and tax laws to take care of your family's needs. Ensure your beneficiaries understand where to locate essential documents.
- **Essential Documents:** Put wills, health care proxies, and power of attorney in place so critical decisions are not left to the courts.
- **Asset Protection:** Trusts can safeguard your wealth from potential creditors or lawsuits so you transfer more of your assets to heirs.
- **Charitable Goals:** Charitable giving strategies can support causes you care about while providing tax benefits.

5. How might this plan affect my family?

Beyond your personal goals, how can you provide greater generational support? Start the conversation during your annual review and discuss:

- **College Savings:** If you have children or grandchildren pursuing higher education, you can explore how 529 plans, scholarships, or financial aid fit into your plan.
- **Caregiving Responsibilities:** As parents or grandparents age, assess the impact on your budget and resources, and consider long-term care insurance options.
- **Health Care Decisions:** Discuss medical directives and powers of attorney to ensure that both you and your family's health care needs are met.
- **Estate Planning:** Review your estate plan annually to ensure that it aligns with your current family dynamics, tax laws, and financial goals.

Contact Wealthcare to Schedule Your Annual Review

Your annual review can be scheduled at any time throughout the year. A Wealthcare advisor can help you evaluate your current investment and financial status and review upcoming milestones that affect your financial future.

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