



Getting started on your financial future can be overwhelming. The purpose of this document is to provide guidance on a number of key activities that will help you move in the right direction toward your financial goals or enhance your current game plan. As your financial advisor, JNBA can be a critical partner in helping you set and meet concrete financial objectives. If you have any questions on the following, please contact your Senior Advisor.

### FINANCIAL POSITION



---

Gather personal information and prepare a budget:

- Income versus expenses
  - The enclosed Cash Flow Worksheet can be used as a tool to help track your income and expenses
  - Note which items are fixed vs. discretionary so you can determine how to spend and save toward your goals
- Inventory your assets and liabilities
  - The enclosed Net Worth Statement Worksheet can be used as a tool to help with your inventory
- Keep an appropriate financial record system in place in order to continue to track your income, expenses, assets and liabilities

Evaluate and prioritize your short- and long-term financial goals:

- Establish a liquid emergency fund
  - This should be able to cover between 4 and 6 months of your living expenses
- Potential future home purchase
  - Determine how much house you can afford (i.e., what is a reasonable monthly mortgage expense)
  - Save for minimum 20% down payment, over and above your liquid emergency fund amount
- Children's education and funding vehicles (if applicable)
- Car purchase or other large purchases
- Vacations/travel
- Retirement

Establish a savings vehicle(s):

- Consider direct deposit from payroll/paycheck. Some examples include:
  - Checking account
  - Savings account
  - Money market account
  - Certificates of deposit (CDs)

## RETIREMENT PLANNING



---

Saving for retirement:

- Do you have a company retirement savings vehicle available (401(k), 403(b), SEP IRA, etc.)? If so, are you contributing to the plan?
- Is there a company match?
- Are you able to contribute to a Roth IRA?

A rule of thumb is to pay yourself first. The earlier you start to save for retirement the better it will be due to the time value of money. Strive to save as much as possible, up to the 401(k)/403(b) maximum limit allowable in the current year, or at a minimum defer enough to take advantage of your full company match as that is extra "free" money.

It is also important to have assets with differing tax treatment upon retirement. This can be accomplished by building up your savings within two different tax buckets: pre-tax accounts and after-tax accounts. Examples of pre-tax accounts include company retirement plans and Traditional IRA accounts. Examples of after-tax accounts are checking/savings accounts, regular brokerage accounts, or Roth IRAs.

Potential sources of income in retirement include:

- Social Security
- Pension(s)
- 401(k) and other retirement plans
- Personal savings

---

## INVESTMENT PLANNING



Establishing investment accounts:

- Determine your risk tolerance – how much risk are you willing and able to take with your investments?
  - The enclosed Risk Tolerance Questionnaire is one tool that can be used to determine your tolerance for risk and sensitivity to market fluctuations.
- Determine your liquidity needs – how much cash should you keep on hand?
- Determine your time horizon – when will you need the money?
- Diversify – are you invested in different asset classes?
- Rebalance – how often do you rebalance your investment accounts?
- Tax consequences – what buckets of money have differing tax treatment?
- Dollar cost averaging – saving and investing consistently over time.

Make investment choices for 401(k) or other company retirement plan accounts that have your risk tolerance and time horizon in mind. These should be made for existing balance and future contributions.

## RISK MANAGEMENT



---

Review your insurance coverage through work:

- Health insurance
- Life Insurance
- Disability insurance

Do you need additional personal coverage?

- Life Insurance (you/spouse/children)
- Disability insurance (long-term and short-term)

Do you have adequate property and casualty coverage?

- Home or renters
- Automobile
- Umbrella (excess) liability
- Boat/motorcycle
- Cabin/farm
- Other

## ESTATE PLANNING



---

Do you have a Will, Power of Attorney forms, and Health Care Directive documents?

- If so, were these drafted or reviewed recently (within the last five years)?
- If you have young children, it is especially important to have a will drafted as this document designates the guardian of your children if something were to happen to you.

Review your beneficiary designations:

- Do these reflect your current wishes?
- Ensure your beneficiary designations on IRA's, 401(k)'s, life insurance policies correspond with your Will
- These should be reviewed as you experience significant life changes (such as marriage, birth of a child, divorce, etc.)

## TAX PLANNING



- 
- Has appropriate income tax filing status been chosen?
  - Do you have proper income tax withholding amount being calculated?
  - If you prepare your own taxes, are you confident you are taking all allowable deductions?