

# Why Financial Planning Is About More Than Retirement

In order to get your finances where you want them to be, you have to set goals – and that's what financial planning is all about.

While planning for retirement is important, creating a game plan for your finances in the here and now is helpful for day-to-day saving strategies, budgeting, and overall organization.

## What Does a Financial Plan Look Like?

Since financial plans are based on personal wants, needs, goals, and challenges, everyone's plan looks different. But even though each plan's details are unique, there are a few standard elements that can (and should) be found in each one. Those elements include:

- A statement of your net worth. Your net worth is your assets (cash and investments) minus your liabilities (debt).
- Your current cash flow.
- Your finance goals and how much money you'll need to reach them, including steps to take to accomplish them.
- [A retirement plan](#) that lists how you'll cover living expenses after you stop working. That includes what accounts you want to invest in (and how much you want to invest), [and your tax strategies](#).
- An investment strategy that follows your personal preference for risk-taking, how much time you have to accomplish your goals, and your personal philosophy on spending money.

There are certain considerations specific to you and your money situation ([like estate planning and insurance coverage](#)) that pertain to:

- The things you want to do with your money.
- Responsibilities for which you're obligated to pay.

Some people focus on debt repayment while others concentrate on [contributing to their children's college funds](#) – it all depends on your unique situation. Those variables play into the structure of your financial plan.

## How a Financial Plan Can Help

Now that we've outlined what should be included in a financial plan, we can get into the benefits it can provide you.

### Your Goals Become Clearer

A financial plan acts as a blueprint for your spending habits. Knowing this fact creates a roadmap to achieve the lifestyle that you want.

### You're Held Accountable

A financial plan is more than a simple to-do list. It's a plan that holds you accountable – especially when you work with a trusted financial advisor. This advisor holds you to your goals to help you accomplish them and follow your plan.

### You Understand Your Reality

Without a plan, you rely on guesswork without truly knowing where you're at with your money. Instead of hoping that everything will work out, you put in effort to make sure that it will. By knowing where you're at, you can make informed decisions.

### You'll Worry Less

Having a plan – no matter what the plan may be for – brings a sense of peace to your life. When you know exactly what you need to do, you spend less time worrying about what it will take to reach your financial goals, because you already know!

### You'll Feel Happier

Plans make us feel confident. Your financial plan eliminates any gray area you might have about your finances, and it brings about a more positive outlook since you aren't

always focused on not knowing what could happen around every corner. Knowing that you're on the right path will put you in a brighter place mentally.

## Your Finances Will Be Organized

If you don't have a plan, it's likely that you'll miss important details and let opportunities slip through the cracks – all because you aren't organized. When you work with a professional financial advisor that can see every angle of your plan, nothing goes unnoticed and you'll be able to take advantage of everything that comes your way.

## Should You Use A Financial Advisor?

Having a professional on your side is the smart thing to do. A financial advisor will help you get organized, look at your finances from every angle, understand your spending habits, analyze your portfolio risk levels, keep your credit card balances in check, and maintain your emergency savings fund.

It's a wise idea to partner with a financial advisor instead of trying to make it on your own. While it's possible to create a financial plan without help, the plan is made more solidly with a professional advisor in your corner.

If you're not ready to jump in with a professional, [Interra has plenty of financial resources](#) through GreenPath to check out and educate yourself on your finances on your own time.

You can also use [our financial calculator tools](#) to figure out your goals and expectations, as they are easy to use and can give you a broad idea of your financial positioning.

## What's Your Plan?

It takes time to put together a watertight financial plan, but the effort is always worth it in the end. A successful plan means more personal confidence and smarter financial decisions made now and into the future.

Always remember that Interra is your financial family. Our professionals are ready to help you get your financial life organized so you can meet your goals, worry less, and understand your current financial standpoint, along with planning for retirement.

[Schedule an appointment with us](#) to start organizing your financial present and future today!