

1. Data Gathering

- Determine and prioritize financial goals (i.e. retirement, education, home purchase, travel)
- Inventory assets/liabilities, current savings and future sources of income
- Calculate life expectancy based on current health and family history

2. Monte Carlo Projections

- Determine probability of success of current financial track over 1,000 lifetimes
- Probability of success = Likelihood of achieving goals without running out of money
- Explore steps that can be taken to improve probability of success (i.e. increase savings, retire later, eliminate/revise lower-priority goals)

3. Determine Optimal Asset Allocation

- Take a risk tolerance test to determine your level of comfort with market volatility
- Test your financial plan with various investment strategies within your risk tolerance
- Optimal Asset Allocation = Highest probability of success with least amount of risk

4. Investment Implementation

- Review current investment and retirement accounts
- Apply Optimal Asset Allocation across entire portfolio
- Open any new accounts recommended by plan
- Look for opportunities to consolidate accounts and rollover old retirement plans

5. Debt Management

- Review all current liabilities (i.e. mortgages, auto, credit card, student loans)
- Determine optimal payoff strategy for each liability
- Explore refinancing possibilities
- Consolidate debt where possible and advantageous

6. Insurance Needs Analysis

- Review current insurance policies
- Determine optimal coverage for life, disability and personal liability
- Bring in insurance agent to purchase any recommended new coverage
- Cancel any unnecessary policies

7. Estate Plan Review

- Check beneficiary designations on retirement accounts and insurance policies
- Review current wills and trust
- Bring in estate planning attorney for any necessary amendments

8. Review Plan Annually