

## The big financial picture

HOW DO YOU picture your future? Does it include a new house? A trip to a destination you've always wanted to visit? Perhaps it involves a comfortable retirement?

You probably have pictures of your own desires in mind and have attached a degree of importance to each. You consider them your goals in life. And, with the outbreak of COVID-19, perhaps your life goals and financial big picture have changed. Nevertheless, knowing your goals and prioritizing them is important because each comes with a cost attached. And don't think you don't have enough money to bother with your goals.

You might be surprised what evaluating your goals and understanding the costs can do to help you in achieving them. It will help you develop a plan to pay for them. Balancing financial priorities, often competing ones, is important. Attempting to achieve one will impact the other. For example, saving for retirement may impact the ability to fund a child's college education. Just how can you handle it all?

You need to know the starting condition of your finances. You need to know the big picture. Get organized. List your income, assets and liabilities. As part of the process you will want to look at your insurance coverage, investments, estate plan and tax situation. Each plays a part in your total financial picture.

Next, take a critical look at your lifestyle — both today and tomorrow. Put a priority and price on your goals. What strategies can you use to achieve them? Consistent savings will go a long way toward achieving goals. Where are your weaknesses? An example of a weakness could be having enough liability insurance. Your savings won't benefit you in retirement if they are used to pay a personal injury settlement. Carefully consider your options. What products or services do you need that will help you reach your goals? As you work with the data, you will arrive at a framework to follow.

If you have a spouse, it is helpful to involve him or her in the process. Reaching goals takes commitment and having both parties agree on the goals and how to achieve them makes the process a whole lot easier.

Keep in mind that achieving your goals is an ongoing process. Periodically review your strategies. They may need to be adjusted or may change along the way. You might marry or have a child. COVID-19 may impact your employment situation or job prospects. Life brings all sorts of situations.

The time to start planning is before you are in the midst of a crisis. It might start with an emergency reserve. These

are readily accessible funds just in case an unexpected bill pops up.

There are quite a few planning areas and some are quite complex. You might need to gain knowledge in a particular area. This can be done with time and practice, but you don't need to go it alone. Involving others in your plan can give you a different, objective perspective.

Let's look at some of those professionals who are there to guide you along the way — your team. To help with your federal and state tax planning, you will want the advice of an accountant who works in this area. An estate planning attorney will help you with titling assets and bequeathing them to your heirs. An independent insurance professional will be able to review your coverages and make sure there are no gaps.

Finally, you might seek the advice of a certified financial planner. This is a professional who can help you coordinate all the areas of your finances while keeping the big picture in mind. In using your team members, remember that you drive the team and that it's your financial goals that matter.

Marc A. Hebert, MS, CFP, is a senior member and president of the wealth management and financial planning firm The Harbor Group of Bedford. Email questions to Marc at [mhebert@harborgroup.com](mailto:mhebert@harborgroup.com). Your question and his response might appear in a future column.

**As part of the process, you will want to look at your insurance coverage, investments, estate plan and tax situation. Each**

**plays a part in your total financial picture.**



**Money \$ense**

Marc Hebert