

Monitoring Your Plan

If you choose to implement your financial plan without the help of a comprehensive financial advisor, there are ten core areas you will need to monitor. These core areas are income, expenses, debts, net worth, income tax planning, insurance planning, estate distribution, investment performance, investment allocation, and account contributions or withdrawals. The work needed in each of these areas is explained briefly below.

FREQUENCY	CORE AREA
Quarterly	Income Compare your income against plan targets to see if it is on track. Earning more or less than planned may mean you need to adjust your savings or spending amounts accordingly.
Monthly	Expenses Track your spending and compare how you are doing versus the target amounts set in your plan. This is one of the most important steps in implementing your plan because it is where you have both the most control and the most impact on your financial situation.
Quarterly	Debts Follow the targets in your plan for the optimal amount to pay toward any debts you may have. Monitor interest rates to evaluate if a better option might be available, such as refinancing or making additional payments.
Annually	Net Worth Net worth is the value of your assets minus your debts. A healthy financial plan is typically one in which the net worth is a positive number that increases as you draw closer to retirement. And a healthy financial plan is one in which your net worth is increasing during your accumulation years and then gradually decreasing in retirement.
Annually	Income Tax Planning Review your income tax scenario prior to year-end to take advantage of tax efficiencies and cost savings (deductions not being utilized, taking advantage of tax-deferred accounts, Roth conversions, maximizing your tax bracket, etc.)
Annually	Insurance Planning Adjust your life insurance coverage to the amount recommended in your plan. Review annually to see if your coverage is still sufficient as life changes. Also review other insurance types (disability, property, long-term care, umbrella, and more) for any potential changes that may be needed.

Annually	Estate Distribution Review and update estate documents and beneficiary designations on retirement accounts and life insurance policies to assure that assets are structured the way you want them to transition after death..
Quarterly	Investment Performance Regularly review your investment performance compared to an appropriate index and compare targeted account balances vs. actual account balances.
Quarterly	Investment Allocations Use the recommended allocation ranges for stocks, bonds, and cash in your plan, and review your investment portfolio regularly. Implement the investment strategy that works best for your situation and rebalance assets when needed – not when your emotions are telling you to. The allocation ranges in your plan were chosen based on analysis of your risk capacity and risk tolerance. As life changes, the appropriate investment allocations will change, so it will need to be updated periodically.
Quarterly	Account Contributions & Withdrawals Review, calculate and adjust contributions and distributions from investment and savings accounts to stay close to targeted amounts set in plan. Check things like Roth IRA contributions, 401k contribution rates, or IRA distributions throughout the year.

If you don't have the time, interest or knowledge to adequately monitor your plan, this is where having help matters. Our Continuous Service relationship assures not only that recommendations from your plan are completed, but it also uses a regular review process to take advantage of opportunities as they arise and limit big mistakes. This allows you to spend time on your highest value activities, while providing peace of mind around your financial journey.