



Financial Planning

Why You Need It

Would you get in the car and drive for hundreds or even thousands of miles without knowing where you were going? With no destination in mind, how will you ever know if you've arrived?

Many of us deal with our finances in the same unplanned way. We think, wrongly, that financial planning is only for people who have lots of money to put away. But financial planning is a map of your spending and saving, regardless of your income. It's an overview of where you are now, what your destination is and what you'll have to do in order to reach it. By understanding the benefits of planning and establishing financial priorities, you can gain control of the money trip.

Benefits of Planning

By knowing exactly what your current financial picture is, you are more in control and better able to plan for immediate expenditures, as well as those long-term. Your "wish list" will become reachable goals and your future will be more secure. By taking control of your finances, you'll know what you need, how much you need and when you will need it.

Try not to assume that you'll be able to retire comfortably, or that others will take care of you financially. Layoff, illness or other catastrophes can leave you with nothing to fall back on. With planning, you'll be less susceptible to financial ruin.

Establish Priorities

Financial planning helps you establish priorities. When you determine your financial priorities, you'll find it easier to say "no" to your own spending. You'll be more likely to know where your money is going and less likely to spend it without thinking. More importantly, you'll know that you're building a brighter and more secure future by beginning your financial plan today.

By taking control of your finances, you'll know what you need, how much you need and when you'll need it.

