

FINANCIAL PLANNING IS NEVER DONE

Richard Purdy is a Certified Financial Planner and has been associated with TS Bank since 1984, working with agricultural loans, commercial lending, real estate, and now financial planning. Few banks have a Certified Financial Planner on their staff Purdy explained. It is a voluntary extra step that financial advisors and planners take to demonstrate professionalism. As a representative of the bank Purdy is unbiased in that he is not selling or endorsing any particular investment product proposed to fulfill a financial plan. Instead, Purdy stated, after the client data analysis, he presents investment choices and characteristics for the client to consider to meet their planning goals. Since financial planning involves a process of meeting life goals through proper management of finances, there are many areas included. These include college planning, retirement planning, investing, wills, insurance, tax planning, and estate planning. Purdy noted that as one progresses through life experiences, financial goals can shift, investment opportunities change, and the planning process will need to be revised. Even if it is never final, the financial plan is good to have because it provides a framework to make financial decisions, Purdy stated. It helps you realize how one financial decision can affect other financial areas.

There are six basic elements of a financial plan, Purdy explained. These include calculating net worth, building an emergency fund, establishing a spending plan, reducing consumer debt, establishing proper levels of insurance, and drafting four key estate planning documents. These documents include a will, a financial durable power of attorney, a living will, and a health care power of attorney. With all these elements in place, Purdy stated, one can more easily adapt to life changes and feel more secure in making financial decisions.