



THE FINANCIAL PLANNING PROCESS

A Master Class for Emerging Millionaires

Jamie Lima – Woodson
Wealth Management
The Financial Planning
Process Workbook

What are the two things a financial plan allows you to identify?

- 1.
- 2.

How does financial planning help you achieve your goals?

- 1.
- 2.
- 3.

Financial Planning is:

- helping you _____ your workplace benefits,
- helping you decide whether to _____ or invest your savings,
- analyzing _____ and assisting you in setting them up,
- determining when the right time to _____ or _____ your home is,
- walking you through the process of E_____ P_____ so if something were to happen to you, your kids would be OK,
- working with you to determine how much (if any) _____ you may need,
- helping you find, interview, and manage a relationship with a _____, and more.

What is your current financial situation? Are you clear on it?

Do you have short-term and long-term financial goals?

It's great to have a S.M.A.R.T. goal

S.M.A.R.T goal example

Specific - Save \$1M for a second home in San Diego by 2042

Measurable - Need to save an additional \$2-4k per month

Aligned - Partner and family bought into the savings plan

Realistic - Can set aside \$4k per month on current salary

Timeline - Have accumulated \$1M in an investment account by 2042

What would your S.M.A.R.T goal look like?

Specific –

Measurable –

Aligned –

Realistic –

Timeline –

If you believed that you could have a Million Dollars to retire on would you know what it would take to achieve that goal.

Having a savings habit is going to be really valuable. Understanding how to make the most of the money you have, is

Do you have a plan to reach your financial goals?

Remember that it is valuable to have a 'What If' plan in place in case you lose your job or can't work anymore.

What would a 'What If' plan look like for you?

Managing your expenses is just as important as saving.

Here are the different types of expenses:

- Expenses that you plan for: rent, car payment, insurance.
- Not as predictable as fixed: groceries, entertainment, gasoline.
- Annual or semi-annual purchases: clothes, vacations, membership fees.
- These are the ones that really put your budget to the test: medical emergencies, housefire, job loss.

Do you have a good idea of what your expenses look like in each of these areas?

The 7 things a good financial plan accomplishes

1. Provides _____ with how you generate income in retirement,
2. Combats _____ now and in the future,
3. Makes sure you don't _____ your money,
4. Protects you from _____ forces,
5. Manage _____ from your accounts for 30+ years,
6. Ensure you have money to cover _____ costs,
7. All while making sure you enjoy the _____ you have today and you continue to do what you love doing with zero financial _____.

How much money do you want to live on each year during your retirement?

Years You Are Retired	Your Annual Retirement Living Allowance		
	\$50,000	\$75,000	\$100,000
50	\$1,346,209	\$2,019,313	\$2,692,417
45	\$1,281,305	\$1,921,957	\$2,562,609
40	\$1,206,382	\$1,809,572	\$2,412,763
35	\$1,119,893	\$1,679,840	\$2,239,786
30	\$1,020,054	\$1,530,081	\$2,040,108
25	\$904,803	\$1,357,204	\$1,809,606
20	\$771,761	\$1,157,642	\$1,543,522

Here is the monthly amount you need to invest over a set number of years in order to have \$1 Million.

Rate of Return	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
3%	\$15,430	\$7,138	\$4,395	\$3,038	\$2,237	\$1712
4%	\$15,033	\$6,769	\$4,050	\$2,717	\$1,939	\$1436
5%	\$14,644	\$6,413	\$3,726	\$2,423	\$1,672	\$1197
6%	\$14,261	\$6,072	\$3,421	\$2,154	\$1,436	\$991
7%	\$13,887	\$5,744	\$3,137	\$1,909	\$1,227	\$915
8%	\$13,520	\$5,430	\$2,871	\$1,686	\$1,045	\$667
9%	\$13,160	\$5,129	\$2,623	\$1,486	\$885	\$542
10%	\$12,807	\$4,841	\$2,393	\$1,306	\$747	\$439
11%	\$12,462	\$4,566	\$2,179	\$1,145	\$629	\$353
12%	\$12,123	\$4,304	\$1,982	\$1,001	\$527	\$283

Your Key Take Away from Today

It's cliché but failing to plan is planning to fail. A lot of folks just save money, make random investments, and hope for the best. A solid financial plan can allow you to achieve the goals that you have outlined strategically, tax-efficiently, and realistically.

The One Action Step to Take Away from Today

Sit down and write out your goals. Break them up into 1, 3, and 5+ year goals (short-, mid-, long-term), and follow the SMART framework. This will allow you to take the information we'll cover in subsequent weeks and really start to think about how you can achieve those goals.

We are always here to help



Jamie M. Lima, MBA, CFP®
Founder/President

1672 Main Street, Ste. E-155
Ramona, CA 92065

Office: (760) 566-8533
Direct/Text: (858) 923-4500
Fax: (858) 800-4809

www.woodsonwm.com