Heller
WEALTH MANAGEMENT

Four Pillars
of Your Complete Financial House

PILLAR #1

The Right Mindset

If you have the mindset to accomplish your goals, you are more apt to make them happen. Your mindset is the foundation for Your Complete Financial House.

Before actor Jim Carrey was successful he wrote himself a check for $10 million for acting services rendered, postdated it 10 years, and kept it in his wallet. We all know how successful Jim became, and I truly believe it was partly because he had the mindset to overcome the difficulties of breaking into acting and becoming extremely successful.

With the right mindset, you can achieve your financial dreams and goals.

VISION

What do you want to be doing in the next phase of your life?

If you've visualized what you want to accomplish in your life, you have taken the first step to making it a reality. I have heard a professional athlete say that before he completes an unbelievable play, he'd already had a vision of it in his mind before it happened.

Paint a picture of your life 5 years from now, 10 years from now, and beyond.

What will you be doing to fulfill yours and your family's dreams? When you can start to imagine your life in the future, you can better anticipate what you need to do to make it happen.

PURPOSE

What's most important to you?

If you have specific written steps with due dates, you will be more inclined to stick to them. Breaking down a long-term goal into small achievable steps will help you accomplish the big goal.

- Write them down.
- Prioritize them.
- Set time frames.

DISCIPLINE

Can you stay on course to achieve all of your goals?

Are these dreams and goals important to you? Will you create a plan to accomplish them? If you have a plan you will be better equipped to stay on course, but will you commit to a plan?   Also, are you willing to make necessary adjustments along the way?

PILLAR #2

Strategy

Without a strategy, you will not have a playbook to guide you from your visions and dreams, to your realities. You are more inclined to give up on your goals without a clear game plan along with making necessary adjustments if the strategy is not working. If you were able to earn 5% on your money and wanted to save $1,000,000, would you know how much to save each year, or even each week? Do you know where it's best to save money? Here is where you assess your current situation.

GATHER ACCURATE DATA

What do you want to be doing in the next phase of your life?

How and where do I determine what I will need to create a strategy? What information do I need? It's all about your expenses. How much are you expecting to spend right now? How much will you spend in retirement? In our experience, clients usually end up spending more during retirement being that they are no longer working and have more free time. Knowing your expenses is crucial to reaching your financial goals. If you're using estimates for your expenses, and income, the plan will be severely flawed. You need to know what your expenses are now and projected into the future. You need to know what your income is so you can determine how much money you're able to save.

When calculating your expenses, we recommend that you break them down into Needs, Lifestyle, and Legacy:

- Need Expenses are one's that are essential to survival, such as housing and food.
- Lifestyle Expenses are expenses that are flexible, such as entertainment and travel.
- Legacy Expenses will benefit your children and/or grandchildren. An example would be college funding.

Once you determine your expenses, you can match them with your income. For instance, do you know if your social security and pension will be enough to cover your survival expenses in retirement? If not, will the dividends and interest from your investment portfolio make up the difference? How much principal can you take from your portfolio to enjoy your lifestyle expenses? There are many studies showing that a 4% withdrawal rate may be sufficient so you won't outlive your money.

MAKE REALISTIC ASSUMPTIONS

Are your assumptions accurate and realistic?

If your assumptions and expectations are so far out of reach, the strategy you put in place will not work. However, that does not mean you shouldn't start with your dreams. If your goals and dreams are important enough to you, and you exercise the steps written under Pillar #1, you may be able to come up with a strategy and ultimately achieve them.

CREATE A WRITTEN PLAN

Do I really need a written financial plan?

Studies have shown that those with a written retirement plan are three times more likely to achieve their retirement planning goals than those without one. When you have a written plan, it will serve as a blueprint containing all the steps that are necessary to achieve your financial goals.

PILLAR #3

Tactics

You need to have a tactical game plan to grow your assets, optimize what you keep after taxes, and preserve and protect your assets in case of an unforeseen event.

GROWTH

How much do I need to earn on my investments to make my plan work?

How much do I need to save to make my plan work?

How should my investments be allocated among different asset classes such as Equities, Bonds, and Cash?

A one percent difference in your investment rate of return does not seem like much, but over a long-time frame, it could be hundreds of thousands of dollars or the difference in whether you achieve your financial goal or not. It is extremely important to match your expected rate of return with your risk tolerance and time horizon to determine what you need to succeed.

OPTIMIZE

How do I minimize my income taxes?

How do I maximize financial strategies such as Social Security?

How much you keep after taxes will impact your financial plan, so determining where to invest your money, such as a 401(k) or IRA to minimize your current taxes and have your investments grow tax deferred, need to be incorporated into a financial plan.

Nobody knows how long they'll live, but creating a Social Security strategy to maximize not only your payout, but also your spouse's payout in case of a death is a critical piece of a financial plan.

PRESERVE

What happens if I have unexpected expenses?

What if I lose my job?

What if I get sick?

What about a premature death?

It's great to plan for all your dreams and goals but you need to incorporate "what if" contingencies into your financial plan.

In case of an unfortunate event, you should also have all the required legal documents such as a Will, Power of Attorney, and Health Care Proxy.

PILLAR #4

Progress

Without tracking your progress, how will you know if you're on track to achieving your goals?

As mentioned, if you wanted to save $1,000,000, you can stay on track by determining each year whether you are saving enough.

ACCOUNTABILITY

How do I monitor my plan?

How do I track my progress?

When should I make adjustments?

It's great to create a written financial plan, however, life changes and your plan needs to be modified or even re-done along the way to reflect those possible changes. Setting up intervals, such as quarterly or yearly reviews, will let you know if you are on track. If you're not on track, you can determine what you need to change to get back on track. That's the power of tracking your goals, you'll know if and when adjustments need to be made.

7 STEPS TO ACHIEVING YOUR FINANCIAL GOALS

1. Visualize your dreams and goals
2. Write them down, prioritize, and set time frames
3. Gather all the facts
4. Calculate and summarize all expenses and income
5. Create a strategy to go from where you are, to where you want to go
6. Execute all financial tactics to maximize your chances of success
7. Track and monitor your progress

IN SUMMARY

Whether you create your own **Complete Financial House** or you work with an independent Certified Financial Planner (CFP®), you will be on your way to making your lifetime dreams and goals a reality.

COMPLETE FINANCIAL HOUSE