

## How One Planner Describes Comprehensive Planning

By Nancy Bryant, MBA, CFP®  
NAPFA-Registered Financial Advisor

### Client Education

Education is the key to empowering individuals with the tools and confidence to make sound financial decisions. This may involve selecting a suitable investment vehicle, choosing the right kind and amount of insurance, or deciding on the appropriate type of mortgage. Before these and other financial decisions are made, an advisor helps her clients analyze the pros and cons of each decision, both from a financial and emotional viewpoint.

### Cash Flow Management

An advisor works with clients to help them plan a strategy for effective cash management. She helps clients identify sources and uses of their income and recommends spending and savings plans that will help them achieve success in attaining their goals.

### Risk Analysis and Insurance Planning

An advisor performs insurance need analyses for life, health (medical, disability and long-term care) and property/casualty insurance to help clients effectively manage general and specific risks. This includes reviewing current policies in effect and advising on the suitability, adequacy and quality of the coverage. Nancy also recommends insurance specialists who provide quality products suitable for managing her clients' insurance risks.

### Investment Planning and Management

An advisor helps her clients thoroughly understand the investment process. She helps clients formulate their financial and non-financial goals over the next three to ten years. Goals are then quantified and revised for successful achievement. Once a

client's investment profile is determined, a suitable asset allocation strategy is recommended. Typically, clients receive help in implementing their investment plan in either of two ways:

(1) The advisor takes an active role in managing the client's assets of cash, individual stocks, stock and bond mutual funds, individual bonds, and other alternative investment vehicles. The advisor manages both discretionary and non-discretionary accounts. A quarterly statement is prepared showing the asset appraisal, performance and portfolio activity over various time periods.

(2) An advisor might take a more passive role by working alongside clients and their other hired professionals to execute a sound plan. For example, the client may have assets with a mutual fund company he is managing himself, or the client may have a broker or money manager who was hired to invest his assets. She will analyze, critique and recommend changes in asset allocation and individual holdings based on the goals, time horizon, income and risk profile of the client.

Since investing is a dynamic rather than a static activity, Nancy encourages clients to have regular checkups, at least once a year, to monitor performance and review investment goals to determine if any changes need to be made.

### Tax Planning

Although most advisors do not provide tax-filing services, many will advise clients on ways to reduce taxes through use of deductions, exemptions, and investment strategies. They will work closely with the client's tax professional to implement strategies now and in the future.

### Retirement Planning and Employee Benefits

She emphasizes the need to save for retirement before funding a child's college education. Advisors create models of the future constructing worst- and best-case scenarios. By projecting inflation, taxes, sources of income, living expenses, growth of assets, and life expectancy, they show clients what behavior changes in savings and spending are needed in order to achieve their desired goals. Once they are ready to make distributions from retirement assets, an advisor will suggest a strategy for drawing down assets so taxes are minimized and life of the assets is maximized. Recommendations are balanced with the estate planning goals of the client.

### Estate Planning

An advisor stresses the importance of having a will before other financial decisions are made and addressed. Her primary goal is getting clients to implement simple and sound estate plans after she's educated them on the tools and techniques that would address their circumstances. This step involves answering questions about accumulation, conservation and distribution of assets upon death. In addition, the advisor might interact with legal counsel to effect a strategy for minimizing taxes and maximizing the goals of the client.

### About The Author

Nancy Bryant, MBA, CFP®, is principal of Bryant Financial Advisory, Inc in Lutherville, MD. She can be reached at [nbryant@bryantfinancialadvisory.com](mailto:nbryant@bryantfinancialadvisory.com) or [www.bryantfinancialadvisory.com](http://www.bryantfinancialadvisory.com).