



By Erik Ford



# The Value of Planning

If 2020 taught us anything, it is that you cannot plan for everything. However, that should not dissuade us from having a well thought out plan as a guide. As a financial planning professional, I see the benefits of having a financial plan every

day. It provides the basis for all financial decisions that follow. Conversely, without a plan, these decisions are made with more guesswork than confidence.

The key to developing an effective plan with a financial professional is to set down your goals and, if applicable, agree to them with your partner. More times than not, when an individual or couple begins the planning process, they do not have a clear picture of their goals or what it may take to achieve their targets. This may sound basic, but we all live busy lives with career and job pressures, kids and their activities, and perhaps other family obligations or concerns. Time passes quickly and before we know it, college applications are being sent out, and retirement is no longer a concept in the distance but is approaching sooner than we realized.

The earlier a plan is created and implemented, the greater the chance for success. Having a plan establishes a goal or goals and facilitates creating a framework to reach those goals. It provides guidelines to focus on the risk you are willing to take with your investments and if that risk level will allow you to reach your goals. If these issues are not in congruence, adjustments may be addressed early.

Establishing a plan to follow also helps overcome the biggest obstacle to our financial success, which is our own behavior. By laying out a long-term plan, the short-term bumps in the road may be put in perspective, and we are deterred from making reactionary decisions that may have negative long-term consequences.

What are the keys to effective plan preparation? First and foremost, spend time asking yourself and your partner some direct

questions. How long do you want to work? Do you want to just stop someday or gradually ease out? Perhaps you want to make a late career change prior to retirement. Where would you like to live and what do you want to live on (i.e., lifestyle)? How well do you know your current expenses? Do you expect to face college expenses? Do you want to travel? Where do you think your children may live and will that be a factor? Do you have health concerns or the possibility of caring for a parent or special needs child? These are not easy questions. As a couple, you and your partner may not come to a complete agreement, but the conversation will bring you closer together around your goals. The answers may not remain static over time but neither does your plan have to remain unchanged. However, having the target of a plan in front of you gives you context to evaluate risk, savings rates, and the practicality of your aspirations. Adjusting a plan to changing circumstances can be less emotionally stressful than just reacting by saying “now what?”

Life insurance needs are also a critical consideration for planning that may be difficult to address as you consider your own mortality and/or that of your spouse. Figuring out how much coverage you need can be difficult to pin down. The approach we suggest is to not focus on the amount, but on the “what”. What is it you want to happen if you are gone, your spouse is gone or both of you are gone? Defining the “what” should allow for a more straightforward determination of the amount and structure for your coverage.

No one wants to find out their financial goals are unreachable when there is not enough time to alter course. Not wanting to hear bad news is not a good reason to avoid asking critical questions. Time is your friend when it comes to accumulating wealth and the sooner you can define your target the better for you and your future. Looking at all of this in totality can be daunting, but taking these questions one at a time will lead to a complicated puzzle coming together.

A final word on working with a financial planning professional. One of the most important factors is compatibility. Yes, experience, certifications, and cost are important, but the professional you work with will be a partner with you for this important journey, so it should be someone that you like and trust.

As we look forward to 2021 (we certainly do not want to look back at 2020!), let us remember to support our local business and stay safe.

*Erik Ford is the owner of Ford Wealth Management LLC in Glen Ellyn, IL. He is a CFP® certificate holder as well as an Accredited Investment Fiduciary® registered representative. Securities offered through Cambridge Investment Research Inc., a broker-dealer, member FINRA/SIPC.*

*Investment advisor representative Cambridge Investment Research Advisors Inc., a registered investment advisor. Cambridge and Ford Wealth Management are not affiliated. Cambridge and Ford Wealth Management do not offer tax advice.*

*Independence  
Integrity  
Insight*



**Ford**  
Wealth Management LLC

**Erik G. Ford, CFP®, AIF®**  
Financial Advisor



800 Roosevelt Road  
Building B, Suite 413  
Glen Ellyn, IL 60137

[fordwealthmanagement.com](http://fordwealthmanagement.com)  
Office 630.545.2800  
Mobile 312.804.9464  
[erik@fordwealthmanagement.com](mailto:erik@fordwealthmanagement.com)

Registered Representative. Securities offered through Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC. Investment Advisor Representative Cambridge Investment Research Advisors, Inc., A Registered Investment Advisor. Cambridge and Ford Wealth Management are not affiliated.



**MNLG**

The Moore Norton Law Group

- Residential Real Estate
- DUI & Traffic Defense
- Criminal Defense
- Juvenile Defense
- Divorce & Custody
- Personal Injury/Medical Malpractice
- Civil & Criminal Appeals

*Providing Holistic Legal Services, to help you discern and address the whole issue or problem you are facing, to achieve lasting, positive results - because today's legal dilemma can either be a block or a bridge to a better tomorrow. We are here to help you overcome that block, and get across that bridge.*



45 S. Park Boulevard - Suite 230, Glen Ellyn, Illinois 60137

**(630) 871-1000 or (630) 858-9800 | [www.michellemoorelaw.com](http://www.michellemoorelaw.com)**