

5 THINGS YOUR ADVISOR WISHES YOU KNEW

The relationship with your financial advisor is one of the most important business connections of your adult life.

Few others can help secure your family's future and determine your legacy more than the professionals who provide guidance as you plan.

A BUDGET MAKES THINGS EASIER

With seemingly infinite options and several moving parts, financial planning can be very complicated. However, one thing that truly makes planning easier is a budget. It seems like such a simple thing to do, but far too many people don't take the time to create a realistic budget.

Your advisor probably already knows your income, but do they know your expenses? Do you track your expenses? Knowing the difference between what you make and what you spend can help your advisor find financial resources you may not even know you had. A good budget also helps you plan for a future in which you rely on a fixed income and proceeds from your investments.

BENEFICIARY INFORMATION SHOULD BE UPDATED IN ALL YOUR FINANCIAL DOCUMENTS

Do you regularly review your financial accounts? Are your beneficiaries up to date in all your life insurance policies, bank accounts, and will? Like creating a budget, keeping your beneficiary data up to date is a simple, yet often overlooked, aspect of financial and retirement planning.

Family dynamics are constantly changing. Events such as the birth of a child or grandchild or a new marriage should prompt a review and update of your plan documents. Too many families have discovered that an outdated will can have disastrous consequences that are completely counter to the wishes of the deceased.

SAVING EARLIER BEATS SAVING LATER EVERY TIME

Legend has it that when Albert Einstein was asked to name the greatest invention in human history, he replied "compound interest." Regardless of who said it, compound interest is your friend. It is essentially the reinvestment of interest in an investment account and requires no additional effort on your part. The more you save and the earlier you save, the more your nest egg will grow.

The power of compound interest becomes important in your daily decision-making process and should be considered when acquiring goods or taking on additional debt. For example, it's likely that you will be far better off investing your money in an interest-bearing account than buying that shiny new Camaro.

MANAGING YOUR OWN MONEY IS POSSIBLE, BUT IS IT OPTIMAL?

Pilots are smart. The skills and vigilance you practice daily in your job might make managing your own money seem like an easy proposition, especially once you retire. Unfortunately, it's not as easy as reading Money magazine or subscribing to an online newsletter. To successfully manage your financial life, you need to understand markets, the economy, the risks associated with investments you're making, and the ins and outs of estate planning. These things are interconnected with your company benefits, Social Security, Medicare, and/or military benefits. The list of issues on which you need to be an expert is nearly endless.

Successful advisory firms recognize that no one person can fully master all these specific areas. That's why we work with subject-area experts for the best possible outcome. You probably wouldn't ask a tax professional to give you stock tips or an attorney to determine your asset allocation. These decisions are best left to you and a trusted advisor who is aware of all the implications that go along with them.

THE BEST PICTURE IS A COMPLETE PICTURE

We tend to believe that money, especially how much we have, is an off-limits topic of conversation. Many people are fiercely private about their finances, often with good reason. However, the counsel of an advisor is only as good as the information he or she is given, so it is critical to share as much of your financial picture as possible.

From the taxable status of certain accounts to obscure state laws governing an estate plan, you never know when a small piece of shared information can reap benefits for you and your family. The more information you provide, the better the plan will be for your future security and well-being.

Are you ready to work with a professional who can help you create a financial plan and prepare for the future? Request a consultation to discuss your current situation and begin building your custom plan today.

Request a complimentary financial consultation with an advisor at raa.com/consultation