

Holly Donaldson Financial Planning, LLC

Stages of Our Financial Planning Process

Financial planning is divided into two stages:

Design and Development: A series of steps and exercises to develop a plan reflecting your unique habits, resources, and goals. You are actively involved in designing a “Road Map” to guide your financial decisions. During this stage, you will be asked to share a lot of information - facts, figures, documents, but also values, beliefs, hopes, and history. Plan to commit 4 - 5 hours over the course of 1 - 2 meetings and outside assignments as we are dedicated to learning as much as possible about you. This phase of planning can take 4 - 8 weeks.

Execution: When all of that time we’ve been working together really pays off! The value of financial advice lies in the good decisions you will make during Execution in furtherance of your goals. You will have clarity about how you can spend, invest, and share money purposefully. We’ll be there to support and guide you as-needed to assess your progress, answer questions, and keep your Road Map updated for changes in your life, as well as external events.

Below are more detailed descriptions of steps involved in each stage. All except the Road Map meeting are optional. The descriptions below are intended to be a comprehensive listing, not applicable to everyone. Your specific recommended stages and steps will depend upon your situation at the time we first meet.

DESIGN AND DEVELOPMENT

Initial Road Map Meeting*

Clarity about spending, spending, investing, and sharing habits are fundamental to reaching your goals on time. During this meeting, we’ll review highlights of your current and estimated future cash flow. We want to hear about your needs, wants, and wishes. For example, understanding where you’d like to live, how you’d like to spend your time, and what values are most important will be integral to crafting your unique Road Map. We will touch on your contingency plans - how well you are protected in case the unexpected happens. With the aid of financial planning software, you will see in a matter of seconds, real-time, the impact of your decisions. For example, you may want to see if retiring sooner, buying a second home, or taking Social Security later would really work. You will receive suggestions to save taxes and/or fees. We will provide referrals to resources that may be of extra help. Finally, based upon all of the above, you will select an appropriate asset allocation (a plan, not specific investments yet), to guide your future investing. The Road Map is generally completed over a 2 - 3 week period with one two-hour meeting.

Money History and Investment Planning

You will spend the first part of this meeting telling us more about your background and “money history.” We will investigate in further detail your tolerance for risk, as well as habits and attitudes about spending, sharing, and investing. These are important to discuss as we make the specific investment recommendations based upon your Road Map. The aim is to simplify, prioritize, and organize. We’ll take time to answer all of your questions and look for opportunities to save investment fees and income taxes. You will receive specific recommendations and options for getting them put in place. This step generally involves homework, emails, video calls, and/or another in-person meeting and takes place within 2 - 4 weeks after the Road Map.

***Required**

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EXECUTION - PUTTING IT IN PLACE

Investment Execution - Do-It-Yourself With Help

In this meeting or series of meetings, you get help with opening, closing, and transferring accounts; getting account titles and beneficiary designations correct and complete; and buying and selling - transitioning from existing investments to new ones. We will be your “training wheels” with your investment accounts until you feel ready to manage them on your own. You may find you feel ready after one meeting, or you may feel you would like our ongoing help on a regular basis.

Investment Execution - Find The Right Investment Manager For You

In this series of meetings, you get help with narrowing down the universe of investment managers to a few professionals or firms. They can be fee-only, fiduciary companies we already know, or other managers you want included for consideration. Remember, we receive no referral fees or commissions for recommending investment managers to you. Our aim is to help you find a manager that you view as the best long-term partner for your financial team. We will discuss pros and cons of different firms; decide whether a Request-for-Proposal (RFP) process makes sense; review RFP responses; interview final candidates; and help you make a final selection. This process usually takes 3 - 4 months.

Estate Planning - Execution

You will receive an Estate Profile report - your financial picture on one page with relevant details for your attorney, saving you both time. You receive help with account title changes, beneficiary designations, setting up trust accounts, and administering your attorney's recommendations. This can be anywhere from phone-and-emails-only to 1 - 3 meetings and can take 4 - 8 weeks.

Retirement Income Planning - 1st Year of Retirement

As you transition into retirement, income planning gets trickier. Pension and Social Security assumptions, and whether and when to withdraw from 401(k)'s and IRAs are outlined in your initial Road Map. Yet some of those recommendations can change yearly based upon age milestones, market opportunities, tax rules, Medicare rules, legal advice, and health issues. In this meeting or series of meetings you get help with the big transition from earning income to receiving it in various forms. You will receive a detailed plan for how and where to take your cash flow for the coming year, and a basic foundation for years to come.

Retirement Income Planning - Post-Retirement Annual Strategy

Age milestones affecting your taxes can occur at 59, 62, 65, 66, and 70. Tax and Medicare rules change. Your health, family relationships, or legal advice can change. Markets present new challenges and opportunities. In the 4th quarter of nearly every year after retirement, you can benefit by in two ways:

- 1) checking for tax strategies before the current year ends, and
- 2) planning the best income strategy for the coming year.

In this meeting or series of meetings, you receive help coordinating these strategies between your CPA and your investment manager, or in your own managed accounts.