

# AdvisorSmart®

## More than 100 Ways that a Financial Planner Can Add Value for You

As individual investors face the uncertainties of planning for their financial futures, they are often presented with the decision to either hire a professional financial planner or to do it themselves (DIY). While younger investors with modest investment portfolios may not have a great need for outside professional help with their financial planning, as they accumulate assets over their working lives, they will often reach the point where it makes sense to retain professional expertise to develop a prudent financial plan. Before making this decision, it is wise for the investor to understand the numerous opportunities that they have available for help with comprehensive financial planning from a well-trained, professional financial planner. We have summarized the following list of more than 100 ways that a financial planner can add value for you (sorted by the major areas of expertise in the field of financial planning).

A professionally trained, fee-only CERTIFIED FINANCIAL PLANNER® practitioner can help you to develop a comprehensive, goals-based financial plan that will address your specific concerns in the context of hundreds of different financial planning issues. Your financial planner can add value by helping you with personalized solutions from this vast universe of financial planning subjects.

A professionally trained, fee-only CERTIFIED FINANCIAL PLANNER® practitioner can help you with:

### General Principles of Financial Planning — Cash Flow Planning

1. Organization of your financial assets and liabilities
2. Identifying your financial problems
3. Solving your financial problems
4. Clarifying your needs and wants
5. Defining your short-term and long-term goals
6. Personalized and proactive financial guidance
7. Alignment of your spending with your values and your goals
8. Allocating and your bucketing cash by goal
9. Analysis when you change your job and/or salary
10. Analysis of ways to provide financial support for your adult children or aging parents
11. Car “buy versus lease” analysis
12. Home “buy versus rent” analysis
13. Divorce cash flow analysis
14. Emergency fund planning
15. Expense analysis to find forgotten and/or unneeded expenses
16. Optimizing returns on your cash holdings
17. Planning for a sabbatical
18. Planning for an international move
19. Reviewing your personal credit cards and reward programs
20. Setting cash balance targets
21. Vacation home planning

## General Principles of Financial Planning — Debt Management

22. Creating a total debt payoff plan
23. Debt payment allocation
24. Student loan debt analysis and planning
25. Student loan debt consolidation using Income-Driven Repayment (IDR) plan and or Public Service Loan Forgiveness (PSLF) plan
26. Home equity line of credit (HELOC) analysis
27. Home mortgage refinance analysis
28. Intra-family loan planning
29. Mortgage comparison and/or analysis when buying a home
30. Refinancing your credit card debt
31. Refinancing your student loan debt
32. Reverse mortgage analysis

## General Principles of Financial Planning — Education Planning

33. 529 Plan college savings plan comparison analysis
34. College financial aid planning with available merit-based strategies
35. College financial aid planning with available needs-based strategies
36. Education funding strategies using 529 college savings plans, Uniform Transfers to Minors Act (UTMA) accounts, taxable accounts and/or Roth IRA accounts
37. Support to fill out the Free Application for Federal Student Aid (FAFSA) form

## Insurance Planning

38. Analysis of your current permanent insurance policies
39. Identification of specific financial risks that you can mitigate with insurance
40. Analysis of your life, health, disability, long-term care, and property & casualty insurance policies
41. Selection of your insurance professionals (curation)
42. Review and assessment of your homeowner's insurance
43. Review and assessment of your need for life insurance coverage
44. Review and assessment of your need for disability insurance
45. Review and assessment of your need for long-term care insurance
46. Review and assessment of your auto insurance coverage
47. Review and assessment of your need for umbrella insurance coverage
48. Review and assessment of your annuities relative to your financial goals
49. Implementation of an "annuity rescue plan" (if needed)
50. Analysis of your Medicare strategy to optimize your choices
51. Employee benefits planning during your annual workplace open enrollment period
52. Analysis comparing a "High-Deductible Health Plan (HDHP) combined with a Health Savings Account (HSA) versus a traditional Low-Deductible Health Insurance"

## Investment Planning

53. Learning the best practices for investment management based on academic research
54. Developing a disciplined investment strategy based on fiduciary best practices
55. Clarifying your risk profile and risk tolerance
56. Identifying and eliminating unnecessary investment risks

## Investment Planning Continued

57. Diversification of your investment portfolio
58. Asset allocation analysis and adjustments
59. Asset location analysis and adjustments
60. Creating investment policy statements
61. Alignment of your investment accounts into one holistic investment strategy
62. Selection, monitoring and deselecting investment managers for your portfolio
63. Analysis of investment products and other financial products
64. Elimination of hidden brokerage firm costs
65. Elimination of hidden investment manager costs
66. Moving your investment portfolio to lower cost investment managers
67. Access to lower-cost institutional mutual fund share classes
68. Access to lower-cost institutional investment managers
69. Negotiating to lower your investment manager fees
70. Paying off your brokerage firm margin account balances
71. Developing customized investment performance reports for your investment portfolio
73. Employee stock purchase plan analysis
73. Handling concentrated stock positions
74. Investment strategies to invest an inheritance or sudden windfall
75. Rebalancing execution to bring your investment portfolio back to your asset allocation target
76. Completing administrative tasks related to your investment portfolio
77. Rental real estate analysis
78. Retirement income withdrawal strategies

## Tax Planning

79. Adjusting your financial planning strategies for changes in income tax and estate tax policy
80. Identifying strategies to reduce your income taxes
82. Analyzing your options to maximize the Qualified Business Income (QBI) deduction
83. Capital gains and loss harvesting analysis
84. Charitable gift planning (donor-advised funds, appreciated stock, etc.)
85. Selection of your tax professionals (curation)
86. Leveraging college tuition income tax credits
87. Annual income tax return analysis to identify new tax strategy opportunities
88. Roth IRA conversion analysis
89. Income tax return analysis of your standard deduction versus itemized deduction decision
90. Stock option planning
91. Tax location strategies to improve the tax efficiency of your investment portfolio
92. Strategies for accelerating and/or deferring your business income
93. Tax bracket management and zero percent capital gains harvesting
94. Tax credit analysis and/or opportunities
95. Tax loss harvesting analysis
96. Collaborating with your income tax professionals
97. Aligning your financial plan with your income tax plan

## Retirement Planning

- 98. Analysis (and recommendations for) of how much to contribute to your retirement accounts each year
- 99. Analysis of your choices to use a Roth IRA versus traditional 401(k) plan account
- 100. Consideration of backdoor and “Mega” backdoor IRAs
- 101. Coordination of your taxable income with tax-sensitive items (Medicare premiums, etc.)
- 102. Defined benefit pension plan claiming analysis
- 103. Analysis of your financial plan to determine when you can retire
- 104. Strategies to help you to avoid financial fraud
- 105. Planning for your housing transition (continuing care retirement community (CCRC), etc.)
- 106. Retirement cash flow analysis
- 107. Retirement lifestyle goal planning and guidance
- 108. Analysis of your retirement plan distribution options
- 109. Annual Social Security statement review
- 110. Required Minimum Distribution (RMD) planning and execution
- 111. Retirement income strategy and safe withdrawal rate analysis
- 112. Social Security claiming analysis and decision making

## Estate Planning

- 113. Identifying strategies to reduce your estate taxes
- 114. Business succession planning
- 115. Federal estate tax planning and analysis
- 116. Funding of your revocable trusts and re-titling of your revocable trust assets
- 117. Estate gift planning (family members and/or charities)
- 118. Guidance on creating (or reviewing) your advance healthcare directive (living will)
- 119. Guidance on creating (or reviewing) your healthcare proxy (durable medical power of attorney)
- 120. Guidance on creating (or reviewing) your power of attorney (POA)
- 121. Guidance on creating (or reviewing) your will
- 122. Guidance on creating (or reviewing) your pre-nuptial agreements
- 123. Selection of your estate attorneys (curation)
- 124. Bequest planning
- 125. Potential trust options
- 126. State estate tax planning and analysis
- 127. Analysis for you as a surviving spouse after the death of your spouse
- 128. Collaborate with your estate tax professionals
- 129. Align your financial plan with your estate plan

## Psychology of Financial Planning

- 130. Developing and envisioning your life goals
- 131. Developing and envisioning your financial life goals
- 132. Financial coaching for the implementation of your financial plan
- 133. Identifying your unique money scripts
- 134. Developing peace of mind for you by documenting and tracking your financial life
- 135. Support to overcome your unique financial biases
- 136. Support to avoid emotional decision-making and stick to your plan through periods of market volatility
- 137. Support to overcome your unique investment behavior gap

**Sources:** [www.kitces.com](http://www.kitces.com), [www.allodium.com](http://www.allodium.com), [www.cfp.net](http://www.cfp.net)