

# Financial Planning Month

## October is National Financial Planning Month

*Five unique ways a financial advisor can help you reach your personal goals*

October is National Financial Planning Month, an important time for individuals and families to focus on their financial well-being. As the year winds down, it's a perfect opportunity to review your finances, create goals for the upcoming year, and ensure that you're on the right track to achieve financial stability.

National Financial Planning Month is designed to raise awareness about the benefits of thoughtful, proactive financial management and planning.

Whether you're thinking about retirement, saving for education, managing debt, or protecting your assets, now is the time to engage in financial reflection.

However, financial planning is not just about stashing money away or creating a budget. It's a comprehensive approach that takes into account your short- and long-term financial goals, your lifestyle, and how you can best position yourself to handle both planned expenses and unforeseen events. Many people turn to financial advisors to help them navigate these complexities.

While financial advisors are often associated with managing investments or retirement plans, their role extends far beyond that. Here are five unique ways a financial advisor can offer substantial benefits to your financial health, helping you reach both immediate and long-term objectives.

### 1. Risk Management for Natural Disasters

With the increasing unpredictability of natural disasters such as hurricanes, wildfires, and floods,

individuals and families must take extra measures to protect their financial health. A financial advisor can go beyond basic insurance coverage to help you create a comprehensive disaster preparedness plan. This includes assessing your current insurance policies, ensuring you have adequate emergency savings, and advising on state and federal programs designed to assist disaster survivors.

A financial advisor can help you establish emergency funds specifically for disaster recovery, which can cover immediate needs like temporary housing, food, and medical supplies. They can also suggest financial instruments like catastrophe bonds or other insurance-linked securities that can provide additional layers of protection against large-scale disasters. Additionally, they will guide you through strategies to protect valuable assets like real estate and investments that might be impacted by natural disasters.

### 2. Financial Transitions in Life Events

Significant life events – such as marriage, divorce, or the birth of a child – can have a profound effect on your financial situation. A financial advisor can act as your guide during these pivotal times, helping you navigate the complex financial decisions that often arise.

For example, during a divorce, a financial advisor can assist with the division of assets and liabilities, ensuring that both parties receive a fair distribution

while considering the long-term financial implications of those decisions. Similarly, when preparing for the birth of a child, they can help you plan for increased household expenses, education savings, and even estate planning. For families growing through adoption, a financial advisor may provide specialized advice on government benefits, tax credits, and financial strategies for adoption-related expenses.

Transitioning to retirement is another life event that requires careful planning. A financial advisor will not only help you estimate how much you'll need to retire comfortably but also ensure that your portfolio is structured to provide consistent income, protect against inflation, and manage healthcare costs in your later years.

### 3. Education Savings and Financial Aid

Paying for education is one of the largest expenses many families face, and the rising cost of tuition can seem daunting. A financial advisor can offer personalized strategies for maximizing education savings, often through vehicles such as 529 plans or Coverdell Education Savings Accounts. These tax-advantaged accounts can help families grow their savings faster and use the funds for qualified educational expenses.

Additionally, a financial advisor can assist in navigating the complex financial aid landscape. They can help you understand how your assets and income might affect your child's eligibility for scholarships, grants, or federal aid, and guide you in structuring your finances to minimize your expected family contribution (EFC) on the Free Application for Federal Student Aid (FAFSA). A financial advisor might also suggest how to use education tax credits like the American Opportunity Tax Credit or the Lifetime Learning Credit to reduce your tax burden.

### 4. Socially Responsible/Impact Investing

Many investors today want their investments to align with their values, whether that means supporting renewable energy, promoting social justice, or encouraging diversity and inclusion. Financial advisors can help individuals create investment portfolios that reflect their personal or ethical values through strategies like socially responsible investing

(SRI), environmental, social, and governance (ESG) investing, and impact investing.

An advisor will carefully research companies and funds that meet both your ethical criteria and financial goals, ensuring that you're investing in a way that aligns with your principles without sacrificing returns. This type of investing is increasingly popular, but it requires an in-depth understanding of the market to ensure that the investment strategy is both financially sound and ethically aligned.

### 5. Behavioral Financial Coaching

One of the more unique and powerful roles a financial advisor plays is that of a behavioral coach. Human emotions – such as fear during market downturns or greed during bull markets – can often lead investors to make irrational decisions that damage their long-term financial health. Financial advisors understand the psychology behind these reactions and can provide the steady hand and sound advice needed to avoid emotionally-driven mistakes.

During volatile market periods, a financial advisor can offer a calm perspective, reminding you of your long-term goals and helping you stay the course. If you're tempted to pull out of the stock market during a downturn, for example, your advisor might suggest maintaining a diversified portfolio, or they may help you rebalance your investments in response to market conditions rather than making a rash decision. This type of behavioral coaching can help prevent costly mistakes and ensure that your financial plan stays on track, even during challenging times.

### For Peace of Mind

National Financial Planning Month serves as a reminder that your financial future is worth the investment of time, thought, and professional guidance.

This October, take the opportunity to reflect on your financial health and consider how a financial advisor can provide unique and valuable insights to help you reach your goals.