FOUNDATIONS SERIES

Financial Planning in 10 Easy Steps

A practical guide to taking control of your finances and planning a confident, secure retirement.

This guide is general financial education, not personalized investment, tax or legal advice. Examples and figures are illustrative and simplified; your own plan should reflect your specific circumstances and applicable rules.

00 Introduction & core philosophy

At its core, sound financial planning comes down to three simple questions.

Everything that follows — the net worth statement, the budget, the savings rate, the retirement projection — exists to move you from where you are today toward where you want to be. Keep these three questions in front of you, and the ten steps become a clear route rather than a guessing game.

QUESTION 01

Where are you now?

Your honest starting point — assets, debts and cash flow.

QUESTION 02

Where would you like to be?

The retirement, lifestyle and legacy you are aiming for.

QUESTION 03

How do we get there?

The plan — the ten steps that connect today to that goal.

THE EQUATION FOR SUCCESS

ELEMENT 01		ELEMENT 02		ELEMENT 03		THE OUTCOME
Mindset	+	Specialized Knowledge	+	A Plan	=	*Financial Success*

01 STEPS 1–4 OF 10

Take Stock of Your Foundation

4 STEPS

Before you can plan the route, fix your starting point and the habits that move you forward — what you own, where your money goes, and how it gets where it needs to be.

1

Create a Net Worth Statement

You cannot map a route without knowing your starting location.

Tally your assets minus your liabilities — the single number every other step builds on. Update it annually.

ASSETS
DEBTS
= YOUR NET WORTH

2

Review Your Budget & Cash Flow

Keep strict track of money coming in versus money going out.

Hunt month-to-month for "cash bleeds" — the subscriptions and discretionary spending you can trim without ever noticing.

▲ CASH IN
▼ CASH OUT
REVIEWED EVERY MONTH

3

Pay Yourself First

Saving is never an afterthought. Present-you must take care of future-you.

Automate transfers on payday, routing money to bad debts and investments before you pay your living expenses.

10–20%

OF GROSS INCOME, SAVED FIRST

4

Designate & Update Beneficiaries

Ensure your assets transfer efficiently upon passing.

Name up-to-date beneficiaries on every registered account so funds skip probate and transfer tax-free, directly to the person.

RRSP · TFSA · RRIF · LIRA

BYPASS PROBATE · TRANSFER TAX-FREE

02 STEPS 5–8 OF 10

Grow & Pressure-Test the Plan

4 STEPS

With the foundation set, grow the portfolio sensibly, map every retirement income stream, and prove on paper that the plan actually holds together.

5

Revisit Asset Allocation & Diversification

Do not put all your eggs in one basket.

Align the portfolio with your risk tolerance, age and goals — diversify by geography, and beyond your own industry and "human capital."

20+ POSITIONS · ≤ 5% IN ANY ONE

6

Evaluate Retirement Income Sources

Retirement relies on multiple income streams.

Total the expected income from every source, using My Service Canada to project your CPP and OAS at different retirement ages.

OAS CPP RRSP TFSA

6 INCOME STREAMS TO MAP

7

Check if Your Plan Is on Track

Do not arbitrarily pick a retirement age without running the math.

Project cash flow across your lifetime so your retirement date is a tested conclusion — not a hopeful guess that runs you dry.

FUNDS CAN RUN DRY BY 70 IF YOU RETIRE TOO EARLY

55 70 85 90+

8

Don’t Leave Money on the Table

Optimize what you already have for free or guaranteed returns.

Capture every employer match, sweep idle cash into high-interest savings or money-market funds, and negotiate down your fees.

100%

INSTANT RETURN ON A MATCHED CONTRIBUTION

03 STEPS 9–11 OF 10 + BONUS

Protect It & Stay the Course

3 STEPS

A plan is only as good as your ability to stick with it. The final steps shield your wealth from the unknown and build the accountability that keeps you on track for the long haul.

9

Protect Yourself from the Unknown

Shield your wealth from sudden life events.

Keep an emergency fund sized to your overhead, insurance that still matches your current needs, and up-to-date legal documents.

EMERGENCY · INSURANCE · LEGAL

3 SAFEGUARDS · REVIEW EVERY 2 YRS

10

Get an Accountability Partner

Motivation starts the journey; accountability sustains it.

Talk about money. Partner with a spouse, a trusted friend or an advisor to check in, celebrate milestones and stay on course.

CHECK IN REGULARLY

11

Commit to Expanding Financial Knowledge

The financial landscape changes constantly.

Never stop learning — books, seminars and newsletters compound your financial literacy year after year.

BONUS STEP · KEEP LEARNING

Greg Wood, CIM®

How Cochrane Wealth Management can help

These ten steps are the framework; the value is in the details of **your** situation. We help you build the net worth statement, project your retirement cash flow over your lifetime, and coordinate with your accountant and our Raymond James planning specialists — so you always know where you stand and what to do next.