

Financial Planning

Lifetime Planning is More Than Stocks and Bonds

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WHEN I TELL PEOPLE I AM A CERTIFIED FINANCIAL PLANNER, they often assume that I only plan for retirement. I do help clients plan for retirement, but my clients aspire to more than not running out of money in their golden years.

Life cannot be summed up in one financial plan completed at one point in time. The things we feel are important today might not be important to us a decade later, which is why it is important to work with a financial advisor who will be with you every step of the way throughout your life. That is why the planning I do is more than working toward a retirement-asset goal. We all have goals in life that go beyond having enough money to live comfortably in retirement.

My clients want to be able to comfortably afford the good things that happen throughout their lives, like getting married, having children and sending their children to college. I use our financial planning tools to help them with specifics like saving for the percentage of college costs they want to fund as opposed to blindly adding money to a savings account or 529 plan — or on how to achieve a goal like helping pay for their children's weddings.

I also help my clients plan for the unfortunate circumstances that can happen, like premature death or disability. Having the proper insurance in place can ease the financial burden that invariably accompanies these emotional times. Having the right type and the right amount of insurance is part of the planning process, as is reviewing coverages to make sure they are still appropriate as life changes and the years go by.

The opportunity for new employment can be one of those things that happen in life that are accompanied by tough financial decisions. It can be difficult to analyze whether changing jobs makes financial sense. For example, I recently had a client with traditional pension benefits who was presented with an opportunity to take a job where he would

A black and white photograph of a desk with a laptop and a calculator. The laptop screen shows a bar chart. A hand is visible using the calculator. Blue curved lines emanate from the calculator and extend towards the bottom left of the page.

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earn an ownership stake in the company. If he chose to make the switch, he would give up the ongoing growth in his pension for the possibility of higher returns through ownership at his new place of employment. As part of the planning, we examined the cost differences between company benefits and company-sponsored retirement plans. I created multiple scenarios in our financial planning software to give him a side-by-side comparison, including a Monte Carlo simulation to evaluate the probabilities of financial success and the possible ranges of returns for each situation.

The planning helped the client determine the comparative financial outcomes of his decision, but I was also able to help him with the emotional aspect of his situation. It was a big step to leave a position where he had built-in guarantees to take a position where he not only took on the financial risk of owning a business, but would also have the joy of working for something he would feel a deeper connection too.

Financial planning is more than building a portfolio of stocks and bonds. At its best it involves detailed planning designed around achieving specific goals and overall supporting a happy and financially successful life.

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Zach Allegretti is a financial advisor in the Erie, Pennsylvania, office of HBKS® Wealth Advisors. Zach comes to HBKS® with experience in both the insurance and financial advisory fields, having been employed with Nationwide and AXA Financial.

An honors graduate of The Behrend College of Penn State University, Zach earned his Bachelor of Science degree in finance prior to accepting his current position with HBKS®.

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