Financial Planning Process Can Help Baby Boomers Realize Retirement Goals

By Jose Feliciano, CFP™

Much attention has been paid in recent months to the mounting concerns over the saving and spending habits of Americans. Not long ago, the Department of Commerce reported a negative savings rate for American consumers. Studies show that even as more workers contribute significant pre-tax dollars to their 401(k) plans, consumer debt is nearing an all-time high.

It's evident that too many Americans are neglecting long term financial planning. Concern is particularly real for members of the baby boom generation.

Already in their mid-50s and just 10 to12 years away from traditional retirement age, many baby boomers are facing the undeniable need to re-evaluate their financial preparedness. Financial planning can help meet financial goals and get serious about retirement planning.

However, not all financial advisors are created equal. A financial planner who develops a comprehensive and personalized financial plan will take a holistic view of an individual's financial resources, obligations and goals. The CFP™ certification, from the Certified Financial Planner Board of Standards, is a good sign a financial advisor can meet your needs. This certification is awarded to individuals who meet strict ethical requirements, successfully complete rigorous education coursework, pass a comprehensive examination and demonstrate their dedication to providing sound financial advice through experience.

To be confident that you are receiving financial planning advice, look for your advisor to follow some or all of the following steps in creating a plan that's right for you:

Establishing and defining the client-planner relationship. A financial planner should clearly explain or document the services to be provided to you, define responsibilities, and explain compensation.

Gathering client data, including goals. A financial planner should ask for information about your financial situation and retirement interests.Your planner should gather all necessary documents before developing a plan.

Analyzing and evaluating your financial status. A financial planner should analyze your assets, liabilities and cash flow, current insurance coverage, investments or tax strategies.

Developing financial planning recommendations. Your financial planner should offer recommendations that address your goals. The key at this step is helping you understand all the options available, so you're able to make informed and sound decisions.

Implementing the financial planning recommendations. You and the planner should agree on how the recommendations will be carried out.

Monitoring the financial planning recommendations. You should agree on who will monitor your progress toward your goals.

For America's baby boomers, it's time to balance retirement hopes with the reality of saving. With expert financial planning help, members of this generation can immediately maximize the income of their most profitable years and create a productive financial structure that will successfully support their retirement goals.

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