



Mike's Checklist for Financial Success



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There's no one thing that sets you up for financial success. Rather, it's a carefully-balanced mixture of different elements, all working together in harmony to get you where you want to be in life.

It's much like baking a cake. All the ingredients have to be there, in the right amounts, for your cake to turn out the way you want. Leave a couple of ingredients out, and you might still end up with a cake, but will it look right or taste good? Probably not. That's why you have a recipe – a checklist of all the ingredients for success.

Based on my many years of experience in the financial markets, I've created a checklist to help you identify if you've got all the ingredients for your own financial success. How many can you tick?

Early Mortgage & Debt Repayment

1

With any debt, the longer you take to repay it, the more it ends up costing you - especially in the case of a mortgage, where the sum of money involved is likely to be substantial. Paying down debt early frees up your money so that it can be put towards wealth-generating activities as soon as possible. Have you looked at ways you can reduce your debt more quickly, and have you taken any measures to do so?

Tax Minimisation

2

There's no sense in paying more tax than you have to, but unless your finances are structured correctly, you might be doing exactly that. Have you implemented a tax minimisation strategy which frees up additional money that can be used to grow your wealth? Are you waiting too long for tax rebates?

Insurance Assessment

3

If you haven't reviewed your insurance recently, you could be over-insured or paying for cover that doesn't match your needs. By performing a regular audit of your policies, you can ensure they offer you the proper levels of protection and aren't costing you more than they should. A review is especially important if your circumstances have changed, such as a change of employment, having children, buying property or quitting smoking. When was the last time you updated your life, income protection, health, or property insurance?

Cash Flow Enhancement

4

Are you using your money efficiently? The way in which you manage your income and your debts can either save or cost you money. Have you ever sat down with a financial planner to see if there are ways you can structure your day-to-day cash flow to minimise costs? Are you lending yourself your own money?

Retirement Planning

5

It can be easy to get caught up in the present, but it's important to keep an eye on your future at the same time. Do you know how much money you'll need for the type of retirement lifestyle you want? Do you have a plan to accumulate that much wealth by the time you retire? Will you have enough to give the children a helping hand?

Wealth Creation

6

Your existing assets should be working for you, generating more income to get you towards your goals. There are many different vehicles for you to do this, but not every method of wealth creation is going to be the right fit for you. Do you have a plan to grow your wealth, and is it working as you had hoped?

Investment Analysis

7

Changes in world financial markets and changes in your personal circumstances mean that different types of investments can become more or less suitable for you as time passes. Is your investment mix appropriate for your risk profile, and is it optimised to provide you with the best return possible?

Is the amount of risk you are taking appropriate? Do you know how much risk you are taking?

Asset Protection

8

The last thing you want is to lose what you've been working so hard to achieve. Asset protection and Estate Planning vehicles, like family trusts, wills and powers of attorney are most effective if they've been set up at the right time and administered correctly.

Are you one of the many New Zealanders without a will? Do you have measures in place to ensure your assets will be used the way you intended? Will your children inherit a problem or an asset- Are your children protected from losing part of their inheritance to relationship claims?

If you've ticked off one or two of these elements, that's a great start. If you've ticked most of them, even better. However, even if you only have one or two missing, you should still review your finances, and there is no time like the present. The earlier you begin to address your finances holistically, the sooner you'll start to make headway towards your goals.



Mike Allen

"Taken care of today with tomorrow in mind."