

Financial Planning Guide



Vorpahl Wing Securities

Investment Advice For Every Generation



Five Step Process:

- 01 Establish a Cash Reserve
- 02 Evaluate Insurance Needs
- 03 Eliminate Debt
- 04 Invest for the Future
- 05 Charitable Giving, Estate Planning, and Other Considerations



01 Establish a Cash Reserve

Building a cash reserve is the first concern in any financial plan. This provides an emergency fund that should be worth at least six months of earnings that is available if a financial emergency occurs. Depending on your individual situation, a year's salary may be more appropriate.

Job loss, medical emergencies, disability, car trouble, and more are just a few examples where a cash reserve can provide a financial safety net.

Plan to set aside 5%-10% of your salary until you have established the necessary cash reserve. Funds should be kept in an easily accessible place like a savings account or a money market fund. This is essential so that contributions may be made easily and the cash can be quickly accessed in an emergency, although be cautious that the funds aren't available for frivolous or everyday purchases.



02 Evaluate Insurance Needs



Are all of your cars and drivers covered under an auto insurance policy? Are the deductibles and coverage amounts appropriate for your situation? Keep in mind that the cash reserve should cover the initial deductible.

What if you are temporarily disabled and are unable to work? Disability insurance typically covers you after six months, which should pick up where the cash reserve leaves off.

If you pass away will your family be taken care of? Life insurance is a key consideration for those with dependents, large debt or have planned giving needs.

Term life insurance, auto insurance, health and disability insurance are key considerations in any financial plan and should be considered, based on your circumstances.

03 Eliminate Debt

One key to managing debt is the 'snowball effect'. It is recommended to pay off the debt with the smallest outstanding balance first. To accomplish this, make the minimum payments across all the debts and allocate leftover funds to the smallest debt. When that debt is paid off, apply all those funds to the next smallest debt. Continue this process until all of the debt is repaid.

The above strategy may be applied to credit cards, auto loans, student loans, etc. The less debt you carry the more you have to achieve your life goals, whether it be retirement, travel, philanthropy, or anything else.

Opening an investment account can be a key step in achieving future financial goals. These goals often include saving for a house, funding future college expenses, building capital for a new business, and saving for retirement.

Whatever your dreams may be, tools like tax-advantaged 401ks or IRAs, 529 College Savings Plans and dollar cost averaging are useful in guiding individual investments for long-term success.

Partnering with a financial advisor to ensure that investments are appropriate for your goals and financial situation may also be a key step to maximizing the effectiveness of your investment portfolio.



Charitable Giving, Estate Planning and Other Considerations

Once the first four steps are sufficiently covered, many find that charitable giving is a fulfilling way to give back and yet receive so much more in return. A common consideration is a 10% gift of your earnings and/or time and energy.

Developing a will is a necessity for everyone, not just the wealthy. Make sure that your wishes are updated with a current will, trust and beneficiaries in all retirement plans.



Financial Planning is not complicated, but it does take dedication and determination. Don't get sucked into paying for elaborated financial plans, complicated insurance products, or extensive programs that may set you up for failure. Keep it simple and stay dedicated. Make a budget and stick to it – as much as possible. We will help you along the way and hold you accountable as you move towards financial success.

The following pages include a sample of a budget and a financial planning check list. This may help you in the next step of financial planning.

Sample Budget

HOUSEHOLD BUDGET - Vorphl Wing Securities Inc.														
Monthly Income		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
	Employment													
	Investment													
	Pension													
	IRA													
	Annuity													
	Other Source													
TOTAL														
Monthly Expense														
	Mortgage/Rent													
	Insurance													
	Auto													
	Home													
	Life													
	Health													
	Utilities													
	Water													
	Sewer													
	Electric													
	Gas													
	Garbage													
	Cable													
	Phones													
	Auto's													
	First													
	Second													
	Gas													
	Medical													
	Dentist													
	Dr.													
	Prescript.													
	Food													
	Clothes													
	Entertainment													
	Credit Cards													
	Card 1													
	Card 2													
	Card 3													
	Savings													
	Retirement													
	IRA													
	401k													
	Annuity													
	Sub Total													
Total Income														
TOTAL EXPENSE														
Discretionary Income														

For a working copy of the budget, go to www.vorpahlwing.com

Financial Planning Check List

☑ Establish a Cash Reserve

Consistently save to create an emergency fund equal to one year's earnings to prepare for unemployment, medical expenses, or other unforeseen emergency.

☑ Evaluate Insurance Needs

Acquire insurance which is appropriate for your life situation. Health insurance and auto insurance is a given for most people. Those with children should strongly consider life insurance. Acquire disability insurance to mitigate disaster risk. Be sure that the policy terms are appropriate; review whether deductibles and coverage amounts are reasonable given your current and expected financial and life circumstances.

☑ Eliminate Debt

Begin paying off the lowest balanced credit card in full, then apply that card's balance to the next one's balance, and so on. If you have a difficult time from abstaining from credit card spending, consider freezing it in a bag of water. This removes any impulsivity from the purchasing decision. Create a plan based on your income and expenses to pay off debt over a concrete period of time.

☑ Invest for the Future

Determine your goals: college, retirement, business ventures, travel plans, charitable contributions, etc.

Work with a professional to create a financial plan and determine the appropriate investments based on your financial goals and risk tolerance.

If you have multiple retirement accounts, consider consolidating them to make sure that they're all positioned appropriately.

Consider your future desired standard of living and plan what you need to save and invest based on your current situation compared to your retirement goals.

☑ Charitable Giving, Estate Planning, and Other Considerations

Estate planning is necessary for everyone, not just for those who have assets that they plan to leave behind to loved ones. Create a will and make sure your beneficiaries are consistent with your desires.

Charitable giving is a fulfilling way to use some discretionary assets.

Look us up at BrokerCheck - a free tool to research the background and experience of financial brokers, advisers and firms: <https://brokercheck.finra.org/>

Get in touch



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