



# WHAT ARE YOU GOING TO DO WITH ALL THAT MONEY?

(and other questions about a  
financial plan)

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# WHAT ARE YOU GOING TO DO WITH ALL THAT MONEY? (and other questions about a financial plan)

*"But that's just the trouble with me. I give myself very good advice, but I very seldom follow it."*

*- Alice, in Wonderland*

Greetings.

This can surely be the start of something! You are doing yourself a big favor by diving into this.

Let's begin.

Consider some terms that really seem to make some people cringe, like "financial plan," "saving," and "retirement income." As quick as a blink, attention to this topic can be snatched away by something – anything – more pleasant to think about.

Why do these ideas bring about such apprehension, feelings of being overwhelmed, and even fear?

You may be one of those people for whom the topic of financial planning and saving for the future is a no-brainer. Perhaps you understand it well. Maybe you already have saved a great sum and are on track, with well-thought goals, a clear understanding of the ultimate objective, and a firm conviction that you need to be ready to live on retirement income when you're no longer working for your livelihood. Maybe you're here reading this just to check in on your preparation, learn something new, answer some questions, or because you see the value – and you plan to pass this volume on to someone else.

# WHAT ARE YOU GOING TO DO WITH ALL THAT MONEY? (and other questions about a financial plan)

If that last paragraph is not you, maybe the whole topic of finances is bewildering: How in the world does anybody make sense of it all? Financial news always sounds like a foreign language! What does all that have to do with little ol' me and my money? How do you figure out how much you need to save? How does savings really even grow? And what happens if I lose money?

Who came up with all this stuff anyway?!

Well, first things first: **You. Are. Not. Alone.**

It is fairly difficult to try summarizing the feelings and thoughts of so many people about financial subject matter, and just as difficult to summarize all the various avenues leading to a safe financial outcome.

This little book is not meant to answer all the questions or obliterate all your discomfort. It won't be instructional about everything you need to do to be financially healthy in some inevitable future. But it will discuss how to leverage the knowledge and resources of others to help make all this not such a big mountain to climb.

We'll talk about various dimensions of the financial life journey that help to shape where and how people should focus their attention and energy. We'll define some foundational terms and concepts. And we'll break things down into some basic steps, to get you started in improving your intuition and comfort level with the very important priority of planning for your future. For your peace of mind, sufficient retirement income is the desired outcome.

## **2. Just One Example**

When I had a class in personal finance in college, the goal was to understand the material and get a good grade. So, I paid attention to the general ideas and the math involved. Because I was an engineering student, my foundation was math and science. So, when they started explaining that a growth rate can make money grow exponentially over a period of time, I knew what that meant, both conceptually and mathematically. I learned how to apply a growth rate, usually called either interest