

[Overview - Ten steps to sensible and efficient investment planning](#)

Category : Financial Planning -- 10 Personal Steps in the Right Direction

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Optimal and efficient personal financial planning and investment management: An Overview of 10 Financial Planning Steps in the Right Direction [CLICK HERE TO READ THE SKILLED INVESTOR'S OTHER ARTICLES ABOUT THESE "10 FINANCIAL PLANNING STEPS IN THE RIGHT DIRECTION."](#) The Skilled Investor provides this ten-step process to help investors optimize their financial and investment affairs and reduce the unnecessary waste of their money and their time. Personal wealth provides freedom of choice and insulates investors from the financial impacts of many risks. Personal wealth is defined here as ample asset coverage of expenses over one's full lifecycle. For most people, achieving personal wealth requires many years of effort and may involve significant worry. A comprehensive and rational process can build wealth and security more rapidly and more reliably. Such an approach to personal finance and investing can be less work and less worry. Investing involves both theory and practice. The Skilled Investor's approach supports learning about scientifically based investment principles within a practical context. The objective is to balance the need to understand the truths revealed in the scientific investment literature with the desire for straightforward implementation strategies. Why bother to become more scientific and methodical about your financial planning and investment program? The answer is measured in dollars — your dollars. Well, at least they are your dollars, until you allow someone else to take them without providing commensurate value in exchange. The average investor pays between 1% and 2% of assets for excessive and entirely avoidable visible or hidden investment costs. Yet, on average, their returns trail a passively managed market portfolio. On a \$100,000 portfolio, this is \$1,000 to \$2,000 thrown away year after year without receiving commensurate value. The waste increases with the size of the financial portfolio. Furthermore, when one considers that these figures are pretax, it only adds to the bad news. Often, less than optimal investment strategies accelerate the unnecessary recognition of taxes, which are paid at higher short-term capital gains tax rates. This expensive mess is completely avoidable. The following operational steps are important to anyone pursuing wealth and personal financial security. Click on any of the links below for a more detailed discussion of any of these 10 steps. ->[Step 1 - Develop your personal investment and financial planning skills](#) ->[Step 2 - Set your personal savings, earned income, and other financial goals](#) ->[Step 3 - Assess your personal investment return and risk tolerance preferences](#) ->[Step 4 - Diversify fully within financial investment asset classes](#) ->[Step 5 - Allocate financial investments across the primary investment asset classes](#) ->[Step 6 - Select financial investments rationally](#) ->[Step 7 - Reduce investment expenses and control investment taxation](#) ->[Step 8 - Insure against financial risks economically](#) ->[Step 9 - Monitor and adjust your financial plan time-efficiently](#) ->[Step 10 - Choose objective and competent investment advisers](#)

These articles about financial planners and investment advisers may also be useful to you: [Selecting a Financial Advisor](#): ->[Preparing to interview a financial planner or investment advisor](#) ->[Questions to ask, when hiring an advisor – Part 1, Background and training](#) ->[Questions to ask, when hiring an advisor – Part 2, Fees and contracts](#) ->[Questions to ask, when hiring an advisor – Part 3, Services and references](#) [Payment of Financial Advisors](#): ->[Does it matter how financial planners and investment advisers are paid?](#) ->[Financial planner and investment advisor compensation paid by third parties](#) ->[Financial planner and investment advisor compensation paid by](#)

[clients](#) ->[Fee-only compensation aligns the interests of clients and their financial advisors](#) ->[Fee-only financial planner and investment advisory groups](#) ->[The securities industry calls marketing and selling “advising”](#); ->[Many investors are not fooled by an ethically challenged securities industry](#) [Regulation of Financial Advisors](#): ->[Regulation of financial planners and investment advisors](#) -- [Introduction](#) ->[Checking the backgrounds of individual securities brokers and advisors who sell investments](#) ->[On-line information explaining the licenses of financial planners, investment advisors, and insurance representatives](#) ->[Online information about registered securities broker-dealers and investment advisory firms](#) ->[Finding state regulators of securities brokers, investment advisors, insurance agents, and insurance brokers](#) ->[Private certifications of financial planners and investment advisors](#) ->[Widely recognized private financial and investment advisor certifications](#) ->[Governmental and self-regulation of the securities industry](#) [Advisor Fraud](#)->[Avoiding financial planning and investment advisor frauds and scams – Overview](#) ->[Avoiding advisor frauds and scams – The “Never-do” list, Part 1](#) ->[Avoiding advisor frauds and scams – The “Never-do” list, Part 2](#) ->[Avoiding advisor frauds and scams – The “Never-do” list, Part 3](#)
