

# How Involved Will I Be in Building and Maintaining My Financial Plan at Exchange?

By: Exchange Capital Management

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No two financial plans at Exchange are the same. The biggest factor we take into consideration when building and maintaining a financial plan is you. This process involves us trying to understand exactly what you want, what your life looks like, and what you feel comfortable with.

The process is divided into two sections: building your financial plan and then maintaining it as circumstances change.

## Building Your Plan

Building your plan is where our relationship begins. Once you reach out to us, we will schedule a discovery meeting with you. The main objective of this meeting is to get to know you. We want to understand what you are looking for in a financial advisor and what problems you are looking to solve. The discovery meeting helps you understand our level of competence, review expectations for our relationship, and ensure that all parties are happy and committed to a long-term engagement.

If the discovery meeting goes well, we will seek to obtain more detailed information. We will create a secure portal for you and begin a deep dive into your finances. In most cases, we will ask you to either give an estimate of the balances in the following accounts or to send over these documents through our secure portal:

- Retirement account statements
- Any debt statements (student loans, auto loans, credit cards, mortgage statements, etc.)

- Pertinent income statements (recent paystubs, social security statements, passive income, etc.)
- Federal and state tax returns
- Recurring and nonrecurring cash flows (graduate school tuition, large home improvement plans, special vacations, etc.)
- Recent bank, brokerage, and savings account statements

You may also be asked to submit a financial planning questionnaire. All of this information will help us develop a comprehensive financial plan, allowing us to determine any gaps between your current circumstances and future goals.

We are trying to understand the ins and outs of your finances during this stage. To begin, we will want to understand your cash flow. This consists of knowing your income, where your money is going, and your discretionary spending versus your necessities. Knowing this helps us understand if your money is going to the government, your future, or your current lifestyle. From there, we can provide guidance where needed.

Our next step involves us trying to understand your mindset. Here are some questions you can expect:

- Have you hired an advisor in the past?
- Are there adjustments you've thought about making to your financial plan?
- Have you had professional portfolio management before?
- What is your risk tolerance?

Understanding your risk tolerance helps us build your financial plan in a way that suits you. You can either be more risk-averse (taking a more conservative approach) or risk-tolerant.

Finally, it is beneficial if you inform us of any accountants or estate planners you are currently working with. We can partner directly with them to help verify any information you have given us. This open communication between your professionals allows us to quarterback any high-level strategies.

## **Maintaining Your Plan**

Initially, our relationship requires significant communication, but maintenance on your financial plan may only require modest adjustments whenever necessary. Perpetual guidance and adjustments for your financial plan is one of the major service offerings clients seek us out for.

Your financial plan must continuously be adjusted as you advance in life. This includes letting us know about any raises, job changes, or life changes. You're welcome to alert us of any change, but our clients are the judge of what is worth sending our way. Even if you have no pertinent changes in your finances, we aim to schedule at least one annual meeting to review how your financial plan is tracking.

## **Communication is Key**

Whether our relationship is in the plan development phase or maintenance phase, communication is the main driver of success. In the beginning, we're often asked how frequently we should typically communicate. The answer comes down to complexity and preference. We strive to communicate in a way that suits you.

## **The Bottom Line**

Building your financial plan requires extensive input and collaboration, but often consists of less engagement when maintaining it. Once we have built your financial plan, we can either set up a specific communication schedule or connect when pertinent information arises.

If you are interested in scheduling a discovery meeting to see if Exchange would be a good long-term partner, give us a call. We would love to get to know you better and at the very least, offer guidance and assistance.