

My Success Quotient

The purpose of “My Success Quotient” is to quantify how well you have prepared and are preparing to attain financial success for your family. Take our test to determine where you are in your journey.

1. Goals & Objectives

- Have written goals & objectives (3)
- Discussed with partner (family &/or business) (2)
- Tracking results (2)
- Identified obstacles for goal (2)
- Update every year (1)

2. Organization & Awareness

- Keep up-to-date personal financial statement (3)
- Have storage system for all accounts, taxes, & important documents (2)
- Update cybersecurity once a year or have a subscription (2)
- Utilize a password management system (2)
- Mostly paperless (1)

3. Budget/Cash Flow Management

- Keep a current household budget (2)
- Expenses categorized (needs v wants, pre v post retirement) (2)
- Analyzed inflation on current and future expenses (2)
- Use a tracking system to compare year over year (2)
- Able to adjust expenses if cash flow is negative (2)

4. Cash Reserves

- Know what is an appropriate emergency fund (3)
- Identified potential large expenses over 1, 3, 5 years (2)
- Hold cash in easy access accounts(s) (2)
- Participate in a health savings account (2)
- Approved for a line of credit (1)

5. Debt Management

- Keep a consolidated, detailed liabilities report (2)
- Credit score above 700 (2)
- Debt to asset ratio (<50% required) (2)
- Debt to income ratio (<36% required) (2)
- Debt-free strategy prior to retirement (2)

6. Savings Strategy

- Have a list of savings needs (3)
- Know how to adjust funding year over year (2)
- Saving ratio = or > 10% gross income (2)
- Know your social security projections (get annual statement) (2)
- Talked with family (kids & parents) about their potential needs (1)

7. Risk Objectives/Investment Allocation

- Accounts are goal(s) oriented (2)
- Understand risk tolerance/investment objective per account (2)
- Benchmark risk & return annually (2)
- Rebalance back to risk tolerance occasionally (2)
- Investment positions analyzed quarterly for "fit" to goal (2)

8. Tax Management

- Utilize a CPA and meet annually to discuss strategy (4)
- Keep returns for minimum of three years, preferably seven (2)
- Know your effective tax yield and compare over time (2)
- Have savings in multiple tax buckets (deferred, taxable, free) (1)
- Tax loss harvest annually on investment holdings (1)

9. Estate Documentation

- Have consulted with an estate attorney (3)
- Prepared a will &/or have assets in living trust (2)
- Prepared POAs (2)
- Prepared advanced health care directives (2)
- Talked with family over plans (1)

10. Insurance Coverage

- Meet annually with insurance agent (2)
- Analyzed current and future life insurance needs (2)
- Reviewed need for LTC (2)
- Have appropriate P&C coverage (2)
- Understand healthcare coverage in retirement (2)

TOTAL SCORE	
Congratulations, and review annually to keep it there.	>90
Close but might need guidance.	70-90
Consider hiring a planner (HTP) to be an accountability partner.	40-70
Absolutely need a planner (HTP) to collaborate closely with you.	<40



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