



Six Steps to Achieving Financial Wellness as a Family

It's never too early to map out your financial future as a family. While families differ in their end goals, there are frequently occurring themes that arise. In the second article of his family financial planning series, Glen Nortje addresses the underlying question—what practical steps can you take to ensure you meet your goals and achieve financial wellness as a family?

Financial planning is rarely a set-it and forget-it exercise. It requires big picture thinking, flexibility, reflection, measurement, and alignment when circumstances change. The prudent course of action is to take a holistic view and determine long-term goals based on [the vision and values your family](#) has established.

Life seldom unfolds precisely as you've planned. Unforeseen family, businesses or macro-economic challenges have the potential to derail the best intentions. However, the impact of these challenges can be mitigated by having a comprehensive family financial plan in place, enabling you to focus on your goals, exercise discipline, and persevere with calculated hope.

Through years of conversations with clients, we've observed key areas of concern or recurring themes that families face when they are mapping out their financial plans.

Key themes when developing a family financial plan

Vision and values are the cornerstones of a robust family financial plan. When families determine what underpins their long-term goals, implementing a plan and correcting course in the face of a challenge becomes less cumbersome.

Optimizing investment portfolios is an integral part of the journey toward achieving your financial goals as a family.

Whether you're a young family starting out or a family transitioning to a new stage of life, reviewing your investment portfolio's suitability and performance is essential.

Reviewing your insurance portfolio according to your family's needs, circumstances or risk profile provides peace of mind for a range of potential outcomes. Your insurance needs adapt as your family moves through different stages, so it's essential to ensure that you have the coverage that suits your unique context.

Efficient tax structuring can contribute toward achieving financial goals by considering the family's specific circumstances. Whether the family portfolio includes corporations, trusts, or employed individuals; ensuring that taxation is correctly and efficiently structured can contribute toward achieving financial goals.

Leaving a financial legacy by preserving capital for your heirs in the long term is part of setting the next generation up for success. By planning effectively for the needs of future generations and developing a culture of legacy building, family members can build habits that pass down to generations in perpetuity.

Keep things simple and trackable

While multiple components make up a financial plan, the process doesn't have to be complex. The main focus should be setting clear goals that can easily be understood and tracked. For a real sense of achievement and transitioning a plan from intention to reality, monitoring progress is essential. The more complex or complicated a tracking process is, the less likely it is to be sustained. Keep your eye on the goal and keep measurement simple!

Practical application: Six steps to financial wellness

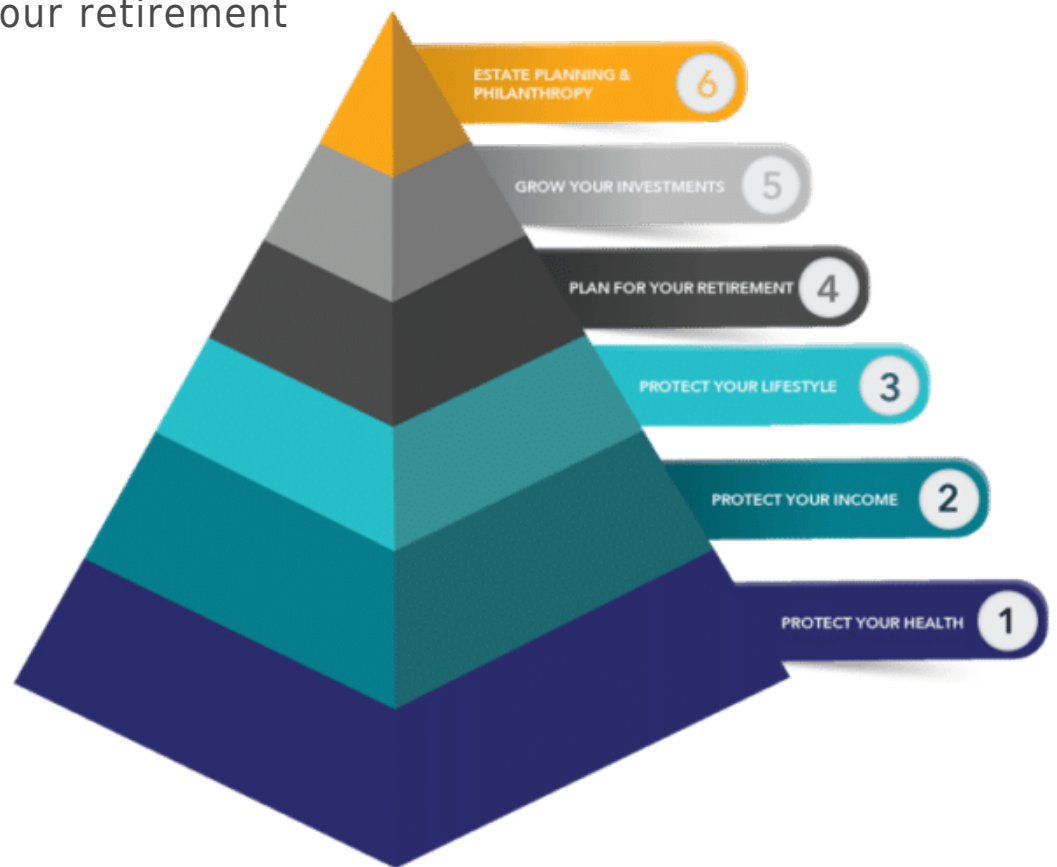
GlassRatner Wealth has developed a helpful needs-based framework that illustrates six practical steps family members can take to structure their financial goals.

Steps 1, 2 and 3 – Protect your health, wealth and lifestyle

The foundation of any family financial plan should be the protection of your greatest asset—your health. Consider what the unintended consequences could be for the family of overlooking this vital area. What would the financial impact and resulting stress be if one of the family members contracted a major disease?

Secondly, have you made provision for protecting the family's monthly income in case of short-term or long-term disability? In the case of death, what measures need to be in place to meet the family's financial needs and maintain their lifestyle?

Step 4 – Plan for your retirement



The optimal time for senior family members to retire differs from family to family. Some may choose to scale down completely, go part-time or continue to work. By planning for this decision early on, families can have the financial freedom to make the decision. A key consideration here is what value you need in your investment to support the retirement option that fits best for your family.

Step 5 – Grow your investments

What are the investment goals that you as a family want to save towards? Perhaps contributing to a [university fund](#) or a family vacation are long-term investment goals that your family prioritized. By defining your goal, determining investment strategies, and celebrating milestones, you keep that goal top of mind.

Step 6 – Estate planning and philanthropy

The last aspect of the process is preserving a legacy, including examining wills and estates and considering what the family needs to have in place from a tax perspective. Ultimately it's about how the family's wealth may be impacted and what protective measures need to be in place.

Throughout the six steps, we encourage families to think clearly about both the intended and unintended consequences that may occur if they don't have a robust financial plan in place. The objective is always to use [the family's goals as a starting point](#), and empowering them with the knowledge and tools to track and achieve those goals.

How to Start Planning for Your Family's Financial Future

Connecting financial planning to family vision and values. [Get started.](#)

Our Contributors

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