Course Objectives

• Increase your knowledge about financial planning
• Improve your ability to make informed decisions
What is Financial Planning?
Financial Planning Association of Hawai'i & Anchor Financial Advisors

David Hirokane
Financial Advisor
Anchor Financial Advisors
Lesson Objectives

• Learn about basic financial planning steps
• Become aware of different types of expenses
• Understand the important of time and money
Financial Advisor vs. Investment Advisor

- A financial advisor can also be an investment advisor but most investment advisors, are not financial advisors.
• You need to work with someone you trust
• Someone who does what he says before he does it
• Follows through
• Helps you evaluate what he did, not just how much he made
Six Basic Steps of Financial Planning

1. Setting the goals and timetables
2. Data gathering
3. Analyzing the data
4. Recommendations to client
5. Implementing the plan
6. Monitoring the plan
Setting the goals and timetables for the client & advisor
Data gathering

- Finding out as much about the client's financial situation as possible
- Reviewing tax returns, investment, insurance, bank and credit card statements, etc.
Step #3

Analyzing the data

- Determining the client’s income and expenses; net worth
- Conferring with other professionals, such as legal or tax advisors that works with the client
Step #4

Recommendations to client
Implementing the plan based on what the client understands and agrees to
Step #6

Monitoring the plan

• What was supposed to happen and when?
Repeat the Process

1. Setting the goals and timetables
2. Data gathering
3. Analyzing the data
4. Recommendations to client
5. Implementing the plan
6. Monitoring the plan
Concerns & Worries

- Enough money to retire comfortably
- Ups and downs of stock market
Essential Expenses

- Housing and Utilities
- Food
- Healthcare
- Transportation
- Taxes
- Other
<table>
<thead>
<tr>
<th></th>
<th>Young Investor</th>
<th>Middle Age Investor</th>
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</thead>
<tbody>
<tr>
<td>Age</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Monthly Savings</td>
<td>$100/month</td>
<td>$200/month</td>
</tr>
<tr>
<td>Yearly Savings</td>
<td>$1200/year</td>
<td>$2400/year</td>
</tr>
<tr>
<td>Investment Time</td>
<td>40 Years</td>
<td>20 Years</td>
</tr>
<tr>
<td>Amount Invested</td>
<td>$48,000</td>
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<tr>
<td>Investment Rate</td>
<td>7.5%</td>
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<tr>
<td><strong>Total Savings</strong></td>
<td><strong>$272,000</strong></td>
<td><strong>$103,000</strong></td>
</tr>
</tbody>
</table>
Expenses

Cover Essential Costs
Maintain Lifestyle
Expect the Unexpected
Establish a Legacy

Take Charge of Your Money

Tree with money symbols
Take Charge of Your Money

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  - College of Tropical Agriculture & Human Resources, Cooperative Extension Service, Department of Family & Consumer Sciences
  - Information Technology Services-Academic Technologies
- Financial Planning Association of Hawai'i
- Anchor Financial Advisors