

What is a financial plan and how can I build one?

Building a financial plan is an essential component in managing your finances, giving you a clear and effective path to growing your wealth.

But how exactly do you build one?

Read on to learn what a financial plan is and how you can create your own.

What is a financial plan?

A financial plan establishes your current financial circumstances, what goals you have for the future, and how you can achieve them.



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Your plan will outline every aspect of your current monetary

standing, including things such as your income, lifestyle, financial dependants, and assets.

You'll then have a range of financial goals that you want to achieve in the future. This can be a variety of things, such as retiring with a certain amount in your pension, or growing your wealth substantially with investments.

Your plan can then detail all the steps you can take to reach these targets, which could include making a certain frequency and value of contributions to your pension, or [diversifying your investment portfolio](#).

A financial plan is the key to achieving all your financial goals in the most effective and efficient way possible.

How can you build your own plan?

1. Seek financial advice

One of the best ways to build your own financial plan is to seek the expert advice of [financial services](#).

These experienced professionals will offer guidance on what specific steps you need to take to build your wealth, factoring in your current circumstance and future goals.

Your advisers will also discuss your needs and requirements regarding your finances, and help you build a plan that you have full confidence in, and that outlines clear and achievable steps towards your targets.

If you want to build a financial plan, seeking financial advice is the first, most important step to take.

• Outline your financial goals

Another important aspect of building your financial plan is setting your financial goals.

Deciding on your future ambitions can include a lot of

considerations, but your financial adviser can help you refine your goals so that each one is achievable and beneficial for your wealth.

▪ **Structure your investments and contributions**

Structuring your investments and contributions is also vital for your financial plan.

Once you've set your goals you need to create the steps for achieving them.

With the advice of a wealth manager, you'll know exactly how to structure your assets, account types and investment portfolios, so you have the best balance of risk level against potential returns.

They can even manage these investments on your behalf.

Your plan can also outline things like the amount and frequency of [pension contributions](#) you need to make from now until your retirement, in order to reach your goals of retiring at a certain age and having a sufficient pension sum for your retirement lifestyle.

With clearly outlined steps for investments and contributions, your plan will be optimised for giving you the best route towards achieving your financial goals.

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Please note, the value of your investments can go down as well as up.