

Personal Wealth Checkup



When was the last time you had a financial checkup?

We visit the doctor for routine checkups. Once a year, the doctor examines our vitals and checks to make sure everything's in working order. If any red flags show up, we can take immediate action to fix the problem or educate ourselves on the issue.

The same is true with our financial health. Economic, personal and professional factors change on a regular basis. And yet, many of us don't take a close look at our finances. We don't schedule routine checkups. The result can be an outdated strategy or overlooking concerning signs.

That's why it's important to review your financial position. Understanding how to evaluate your finances and address any potential issues is key to maintaining a healthy financial life.

To check your financial health and position, consider three broad categories: financial education, critical financial information and partner preparedness. If you can confidently understand and answer questions related to these categories, you're on the right track. However, if you find yourself struggling, it may be time to dive deeper and take charge.

Let's explore each of these categories in more detail.

Personal Wealth Checkup: Grade Your Financial Education

The first step is checking your financial health knowledge.

Take this opportunity to make sure you understand key financial and investment concepts.

Financial health starts with a foundation of basic budgeting, managing stocks and bonds, and balancing savings and checking accounts. From there, add additional topics based on your circumstances. The more complex your financial situation, the more complex the knowledge required to optimally manage it.

If you manage your own portfolio, for example, be sure to include topics like diversification and retirement planning. And if you are a trustee or fiduciary, make sure you understand taxes, charitable contributions, and fiduciary responsibilities for starters.

Here, you'll grade yourself on key financial topics. Start with the statements below and rate your level of agreement with each one by placing an "X" under the rating that best describes your current state:

Statement		Strongly disagree		Moderately agree		Strongly agree	
		1	2	3	4	5	
1	I understand investment concepts such as asset classes, asset allocation, diversification in a portfolio and rebalancing.						
2	I understand the mechanics of compound interest savings and inflation and the effects they have on meeting long-term goals.						
3	I understand the roles and responsibilities of grantors, trustees and beneficiaries.						
4	I understand the rules around different gifts and charitable deductions that can be made without incurring penalties.						
5	I understand how different estate planning vehicles can be used to minimize taxes in a wealth plan.						

Personal Wealth Checkup: Estate Planning

Once you have a baseline for your financial health, it's time to review your critical financial checklist. The most important areas on this checklist fall into four buckets: estate planning, risk mitigation, financial and investment planning and administrative planning.

Estate Planning

Estate planning can be complicated. Protecting your estate after your passing often involves strategizing ahead of time with lawyers, financial advisors and loved ones. Make sure you have a plan in place and have communicated important information to those who need to know.

Below is an estate planning checklist. Make sure you have a plan that includes:

- Wills/Trusts in place**
- Guardianships**
- Durable power of attorney**
- Medical power of attorney**
- Appropriate asset titling**
- Executor appointed**
- Trustee appointed**
- Beneficiary designations**
- Review of long-term care wishes**
- Final arrangements upon passing**
- Written memorandum**

Remember to review your estate planning documents periodically or when you have a life-changing event such as marriage, divorce, or birth of a child. Check and update your durable and medical powers of attorney every two years to ensure they are accepted by medical and financial institutions.

Personal Wealth Checkup: Risk Mitigation

Risk mitigation is all about anticipating future impacts and having a plan in place. Whether you're thinking about the impact to your loved ones if you pass, or the impact to your earning potential if you become disabled, risks are all around. Make sure you have the right mitigation strategies in place to address these high-impact events.

Review the statements below and rate your level of agreement with each one by placing an "X" under the rating that best describes your current state:

Statement		Strongly disagree	Moderately agree	Strongly agree		
1	I understand the type and amount of life insurance I have or need and how it works.	1	2	3	4	5
2	I understand the structure of my home and auto insurance and the proper level coverage amount that is needed.	1	2	3	4	5
3	As a board or trustee, I understand the liability exposure and the available protection within my current insurance policies.	1	2	3	4	5
4	I understand my income stream may change if I were to become disabled.	1	2	3	4	5
5	I understand long-term care costs and how it would impact my retirement planning.	1	2	3	4	5

Unsure if you have a copy of your most recent declaration pages for your home/auto and umbrella insurance on file? Can't remember where you've placed copies of your disability/long-term care and life insurance contracts? It's time to get organized.

Remember to check your insurance policies periodically and when you have a life-changing event to ensure the current coverage still meets your needs.

Personal Wealth Checkup: Financial & Investment Planning

To keep your finances and investments healthy, you need a plan in place. This plan should address both the day -to-day financials, as well as your long-term goals. Saving for retirement, sending your children to college, or making a large purchase are all goals that can be achieved with the right plan in place.

Make sure you have a plan that includes:

- Consolidated net worth statement**
- Investment asset analysis**
- Projected income/Expense analysis**
- Income tax and gifting analysis**
- Projected net worth and estate tax analysis**

Don't forget to review your goals and investment risk profile periodically to ensure they still meet your needs now and in the future.

Administrative Planning

Easily overlooked, safe document storage and other administrative tasks can dramatically affect your financial position. If your loved ones or legally appointed beneficiaries can't access important financial information after your passing, your estate could end up in probate for an extended period.

Additionally, your loved ones could miss out on large sums of money you intended to leave them, if assets are unable to be located or if no one knows about them.

Below are items you should make sure you have covered/shared with the necessary parties:

- File location shared with partner**
- Online account information**
- Checklist of asset location**
- Contact information for financial providers**

If any of the items on this checklist are incomplete, prioritize completing them as soon as possible.

Personal Wealth Checkup: Partner Preparedness

This step is preparing for worst-case scenarios. This step can be easy to put off.

It can be painful to anticipate difficult situations or picture life without your partner, which is why many couples steer away from this conversation.

Sadly, we've all heard a story of a friend or acquaintance who suddenly lost their partner. In these moments, the pain of loss can be overwhelming. Without a clear plan in place, this life event can cause confusion for your family.

- Being prepared for a partner passing means:**
- Having a plan in place for emergencies**
- Laying out clear steps and contacts**
- Equipping both partners with knowledge about what to do and where to turn**

Personal Wealth Checkup: Partner Preparedness

To start your preparation, take this assessment independently. Read the statements below and rate your level of agreement with each one by placing an “X” under the rating that best describes your current state:

Statement		Strongly disagree		Moderately agree		Strongly agree	
1	I know where all our important documentation is located so I can access information quickly.	1	2	3	4	5	
2	I understand what steps I need to take in our plan and the order in which to take them if an emergency occurs and my spouse or partner can't help me.	1	2	3	4	5	
3	I know where our financial assets are located and which financial providers we use.	1	2	3	4	5	
4	I have relationships with our financial providers, so I feel comfortable calling them when needed.	1	2	3	4	5	
5	I have relationships with our attorneys and tax accountants, so I feel comfortable calling them if needed.	1	2	3	4	5	
6	I have a support system of specific people I can contact in an emergency who can assist me with financial assets and estate planning.	1	2	3	4	5	

Unsure if you have a copy of your most recent declaration pages for your home/auto and umbrella insurance on file? Can't remember where you've placed copies of your disability/long-term care and life insurance contracts? It's time to get organized.

Remember to check your insurance policies periodically and when you have a life-changing event to ensure the current coverage still meets your needs.



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