# Recognizing the issue of comprehensive personal financial planning by an essential beginning

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## ABSTRACT
The purpose of this essay is to clarify the problems with thorough personal financial planning. Saving for a down payment and putting a sizeable sum of money into a Roth IRA are both difficult tasks. Unexpected sevents, ageing appliances that tend to break, and auto repairs are what make this aspect of goal planning so difficult. Challenges, in my experience, may either weaken or strengthen your devotion to your aim. It's simple to lose concentration and start to give up whenever an item malfunctions or an automobile requires extensive repairs. I've discovered that goal-setting techniques are really helpful in this area.

## INTRODUCTION
More businesses in the financial services sector are continuing to set themselves up to provide complete personal financial planning (PFP) services. The goal to manage customer relationships and achieve economies of scope is reflected in PFP delivery methods. In this article, we contend that although the requirement for comprehensive PFP has a strong theoretical foundation, there is still a shortage of research to help with the theory's proper implementation. Complete PFP does not come without possible consequences, including as risks related to decreased client advisor diversification, decreased transparency, and agency issues. To address these risks, consumers likely will turn to credentials as a proxy for quality and trust worthing.
The study describes the structure of nonqualified tax-deferred annuities and examines when they are in the best interest of individual investors as savings vehicles. It concludes that, unless they are concerned about creditor protection, few individuals should consider saving in an annuity. Those few must decide between an annuity and a mutual fund held in a taxable account. In general, young investors with long investment horizons should consider annuities. Costs are a critical factor, however. Most annuities have high costs compared to mutual funds. This study concludes that investors fare better with either low-cost annuities or low-cost mutual funds.

## DEFINITION
Personal finance is defined as the management of money and financial decisions for a person or family including budgeting, investments, retirement planning and investments. The industry that is concerned with advising individuals on financial and investment opportunities. Personal finance consultants give advice on life insurance, retirement savings, and investing in stocks and bonds, among other things. It is distinguished from corporate finance, which advises companies on raising money, and public finance, which helps governments raise funds.

## OBJECTIVES
Organize Student Loans
If you have student loans, make sure you know the repayment schedule and come up with a plan for paying them off as quickly as possible. The National Student Loan Data System (NSLDS) is a great way to retrieve and track your loan information. Whenever you move, provide your lenders with change of address information. Remember, you are required to make payments whether you receive a bill for repayment or not.

Putting Aside for a Rainy Day
Financial experts recommend having an emergency savings account that will cover at least three months worth of living expense. If you're on a tight budget you may think you don't have much money to spare, but moving as little as 2 percent of your income into an emergency It's important to separate your financial assets

if you want to make sure you use money for its intended purposes. Aside from an emergency fund, you should also consider a savings account that sets aside money for vacations or other recreational activities. Again, planning ahead when you want to have a vacation helps you avoid overusing your credit card and paying more in interest in the long run. savings account each month will help you build a safety cushion and avoid debt when you're hit with surprise expenses like car repairs, home repairs and medical bills. Having a savings account helps you cover these unplanned events without amassing credit card debt.
Saving for Fun Investment Income:
Once you've saved an emergency fund, try to find some extra cash to invest in stocks, bonds, real estate or other growth investments. If you're willing to accept some financial risk, stock investments can be very profitable over the long run. Just make sure you do your homework and understand how the stock market works and the fees and commissions you'll need to pay on your investments.
Long-Term or Retirement Savings
Young people sometimes focus more on short-term financial goals because long-term retirement planning seems too distant to worry about. Start your retirement savings and investments early to give yourself a much better quality of life when you get older. You may have a 401(k) or other retirement accounts through work. You can often set up additional tax-free retirement accounts through a bank or financial services company. Investing directly in stocks and other long-term investments is another option.

**TYPES OF PERSONAL FINANCIALPLANNING**


Types of Financial Planning

Cash Flow Planning
It is one of the important types of financial planning. An individual or a company forecast its short term and long term expenses against the projected cash flow. But there are time when emergency expenses or unexpected expenses occurred. Once should plan its cash flow appropriately. Incorrect cash flow planning can lead to bankruptcy.

Investment Planning
Once should make your investment plan to achieve your goals in your life. Your investment plan is always based on your savings. Once you know your amount of savings, you can take the help of financial adviser for various investment opportunities like: fixed income, investment in stocks, gold, for ex market, bonds, mutual funds, etc. You can either invest lump sum amount or you can start systematic investment plan (SIT) for along term to fulfill the long term financial goals.

Insurance Planning
Insurance coverage for a long term is very crucial type of financial planning. Under unforeseen situations, if you haven't plan your insurance well in advance then it can spoil your other financial plans as well. Insurance planning is dependent upon individual lifestyle. You should analyze first before you buy any insurance. For Example: If you travel a lot every year then you should purchase travel insurance for coverage on unfortunate events. Likewise you can decide on health insurance, auto insurance, flood insurance, home

insurance, etc.

Retirement Planning
It is the event which occurs in everyone’s life. It is one of the important type of financial planning. Mostly you will hear that people set their financial goals for their retirement income due to rising inflation and rising standard of living. You willhave to start your saving and investment early in your life for your retirement so that you do not have to compromise on standard of living during retirement.

Tax Planning
Proper tax planning can help you to maximize your finance saving. There are various benefits and exemptions provided by countries for the tax payers. You should take the education and draft a plan on it. At the end of the year, you can take the benefits of exemptions and minimize your taxes. Everyone should keep your knowledge up-to-date on your tax planning as a part of your financial planning strategy.

Real Estate Planning
Asset creation is again one of the important type of financial planning. Wealth creation or retirement planning can be achieved with real estate planning. Real estate is considered as a low risk and high return investment option. So everyone should think of draft such plan as a part of financial planning. In case of unforeseen situations in life, real estate planning turnout to be one of the best plan for your family safety

## CONCLUSION

There is a time in everyone’s life that one has to start thinking on short-term andlong-term financial goals. There are various different types of financial planning which onceneed to draft and implement to achieve thefinancial goals of the life. We hope this would help you to better plan your finance now.According to a Bank of America poll, 42% of adults were discouraged while 28% of adults thought that personal finance is a difficult subject because of vast amount of information available online. As of 2015, 17 out of 50 states in the United States requires high school students to study personal finance before graduation. The effectiveness of financial education on general audience is controversial. For example, a study done by Bell, Gorin and Hogarth (2009) stated that those who undergo financial education were more likely to use a formal spending plan. Financially educated high school students are more likely to have a savings account with regular savings, fewer overdrafts and more likely to pay off their credit card balances.

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