

MANAGING YOUR MONEY

What Are You Worth?

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The Glenmede Trust Company (NAPSA)—Whether you are already retired or planning for retirement, personal financial planning provides a perspective on your current financial condition and a sense of control over your future that is otherwise difficult to achieve.



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Once you have established your goals and objectives with your financial advisor, evaluating your net worth, together with an analysis of your income tax and cash flow, is the most crucial part of developing a sound financial plan.

Determining your net worth requires detailed information gathering upon which all elements of your financial plan will be based. This includes a complete inventory and valuation of all your assets and liabilities.

It may be necessary to examine this information in different ways in order to develop your optimal financial plan. For example:

1. The value of personal assets, such as residential property, may be separated from the value of assets that will be needed for future financial support or for other goals.

2. Your investments may be arranged in categories that facilitate a comparison of your existing

asset allocation to other allocation models.

3. Information on income tax cost basis may be included along with an analysis of realized and unrealized gains on sales or potential sales of investments.

4. Balances held in qualified retirement savings plans, such as a 401(k), may be examined separately from your investment portfolio.

By virtue of these different techniques, Glenmede advisors work with clients' present and future financial needs and objectives.

The next step involves an analysis of your income tax and cash flow and an examination of the ways in which these components are inter-related. Your current cash flow may indicate a surplus or a shortfall, thereby influencing recommendations concerning asset allocation. For example:

1. The income tax bracket as well as the total amount of income tax liability may affect the asset mix.

2. For clients approaching a financial crossroads in life, such as retirement, multiple-year income tax and cash flow projections are vital to the transition period.

3. For clients who have not yet retired, current cash flow, with carefully identified modifications, serves as the starting point for estimates of spending needs and financial sufficiency after retirement.

The ability to determine your net worth and identify basic and discretionary spending patterns is

Assets & Liabilities

- Residences
- Automobiles
- Furniture and furnishings
- Fine art and collections
- Long-term investment assets
- Cash equivalents
- Fixed income and equity investments
- Qualified retirement savings plan balances
- 401(k) plans
- Profit sharing and other defined contribution plans
- Investment real estate
- Closely-held business interests

of vital importance in the financial planning process. Whether you are used to maintaining complete and detailed accounts and records of your finances or you have difficulty accurately estimating your total spending, your advisor can work with you to determine your net worth and develop a sound financial plan for your future.

- Mr. Aulino is first vice president, financial planning for Glenmede Trust Company. Glenmede is among the nation's premier wealth advisory firms, with more than \$18 billion in assets under supervision for high net worth individuals and institutional clients. Headquartered in Philadelphia, the firm has offices in Princeton and Morristown, NJ, Wilmington, DE and Cleveland, OH. For additional information, visit www.glenmede.com.