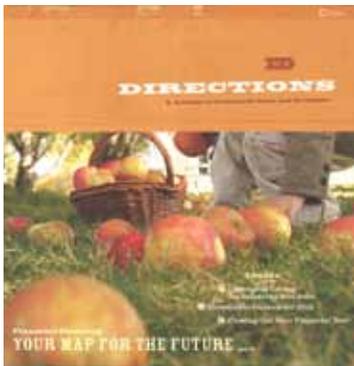


**Frost Bank:** Excerpts from Quarterly Newsletter



## **Financial Planning** **Your Map for the Future**

*"It's hard to know which road to take if you don't know where you want to go."*

Financial planning is a lot like using the GPS in your car. You need to know your exact destination before you can find the best route to get you there. If the thought of developing a financial roadmap seems a little overwhelming, we've got good news: you don't have to do it alone! (*Whew!*) Your Frost Investment Officer can help you create a personalized financial plan designed to meet your specific needs.

### **The Process**

The long-term financial planning process involves several key steps:

1. *Evaluate your current financial situation to understand your starting point.* Do you use a budget? Do your actual monthly expenditures follow your budget guidelines? Do you already have some savings set aside? Do you have credit card debt or outstanding loans?
2. *Identify your short-term and long-term goals.* Think beyond college and retirement. Would you like to buy a new house? Take a dream vacation? Create a scholarship program at your alma mater?
3. *Prioritize your goals and develop a realistic strategy to help you reach them.* How much money do you need to achieve your objectives? What is your timeline? Which investments might work best for you?
4. *Re-evaluate your plan annually and make adjustments as needed.* Are you on track to meet your goals? What's working and what's not? Has your life changed in any significant way, such as marriage, divorce or a new baby?

### **The Components**

Working together with your Frost Investment Officer, you'll examine a variety of components that are essential for a solid financial plan:

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*Strategic Budgeting*

A firm budget will help you control monthly expenditures and reduce debt if needed. Day-to-day spending discipline really can have a positive impact on how quickly you reach your goals.

*Risk Management*

Having a liquid emergency fund set aside – typically with 6-12 months of expenses – has never been more important than today. You'll also want to make sure you have a full range of insurance coverage: homeowners, auto, health, life, disability and long-term care. Many financially savvy consumers have overlooked the importance of long-term care insurance, and the impact can be devastating. The costs for nursing home facilities, assisted living and in-home care are continuing to skyrocket, and most Texans will end up needing those services at some point in their lives.

*Investments*

Whether you are saving for college, retirement or anything in between, you'll need to select the right mix of investments. Creating the best combination depends on your age, your time horizon and your level of comfort with risk.

*Estate Planning*

An updated will allows you to determine exactly how your estate will be distributed to your heirs. If a will is properly structured, it can also minimize taxes and carry out any wishes you have for charitable giving.

With guidance from a customized map for your financial future, you greatly increase your odds of taking the shortest route and arriving at your destination on time. For assistance with developing your financial plan (or updating an existing one), please make an appointment with your Frost Investment Officer today.