When The Beatles sang, “Now give me money, a lot of money . . . I want money . . . that’s what I want,” they may not have been thinking about buying insurance or setting up an emergency fund with it. But, establishing a solid financial foundation means making sure you’ll have enough money to live comfortably. So, it’s important to have a plan to protect your financial security, whether you have “a lot of money” — or only a little.

**Your investments: a good place to start**

Knowing what you’ll need money for in the future is key in planning your financial strategy. Start building a solid financial foundation by adequately diversifying your portfolio and choosing the right asset allocation for your goals and risk tolerance. That’s a great start.

But, simply accumulating assets isn’t enough. You also need to take steps to protect yourself and your assets from significant losses in the event of a financial setback.

**Set up an emergency fund**

Create an emergency fund to help you through a financial crisis, such as a job loss or an unexpected large expense. Generally, you’ll want to have enough money in your emergency fund to cover approximately six months of living expenses. It’s important for your emergency fund to be liquid — meaning that the assets in your account can easily be turned into cash. Cash, certificates of deposit with varying maturity dates, Treasury bills or other short-term debt instruments, and money market accounts are all appropriate investments to hold in an emergency fund.

Having an emergency fund can help protect your investment portfolio. Without it, you might be forced to sell investments when the markets are down, or take out a loan when interest rates are high if a financial crisis occurs. Either situation could throw your investment strategy off course and prevent you from reaching your financial goals.

**Insurance protects your assets**

Purchasing adequate insurance coverage reduces the risk that you or your family will be forced to sell assets to meet expenses in the event of your disability or death. Disability insurance replaces a percentage of your income if you become disabled and can’t work. Life insurance ensures that your family can maintain its standard of living if you die. Determine whether any employer-provided insurance coverage you may have is adequate for your needs. If it isn’t, consider buying supplemental policies on your own.

You may also want to consider buying a long-term care insurance policy to cover the cost of nursing home or other specialized care. And, don’t forget to keep your auto and homeowners insurance coverage up to date.

**Take advantage of tax-sheltered investments**

Investing pre-tax dollars in your employer’s retirement savings plan may help you reach your financial goals faster than investing after-tax dollars in taxable investments. Be sure to contribute the maximum to benefit from any employer matching funds.

Take steps to protect your assets from a financial crisis and you may just find yourself singing, “Financial security — that’s what I want.”

**For further information on financial planning**

We invite you to visit mybmoretirement.com or call the My BMO Retirement Line at 1-800-858-3829.