fter dinner in a Chinese restaurant this week, I cracked open a fortune cookie which read - "Have you prepared for your worry free retirement with more money than you'll need?" Ok, it didn't actually say that. It said – "May you live in interesting times!"

When it comes to personal finance we are certainly living in interesting times. Mortgage subprime, global credit crisis, U.S. government shutdown and you cannot pick up a daily newspaper without a headline screaming "Stocks Crash", "Fiscal Cliff", or "Economic Armageddon". The flip side is that the global stock markets have recovered to near market highs around the globe. What is really going on?

Turbulent Times

Turbulent economic times are difficult for investors, but a prime opportunity to re-examine our personal financial plans. Our problem? Many of us spend so much time focused on the rest of our lives that we overlook the very important role of being director of our own finances.

Are your personal investments worth more or less today than in August of 2008? During the financial meltdown, did your investments fall by 20%, 35%, perhaps 50%? Given that we continue to feel some degree of pain opening our investment statements, the biggest question we face is best phrased in

Cost Concerns

Given the potential complexity involved in combining all of these different aspects of personal finance - how is it that close to 60% of Canadian Baby Boomers don't see the need to consult a financial advisor? Often when Canadians are surveyed about their ambivalence to using financial professionals, it comes down to cost.

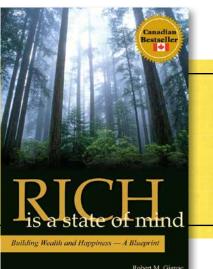
Financial professionals can earn compensation from fees billed to you or from commissions from product suppliers that create the products sold to you. Some feel there is an advantage to 'fee only' because there is no pressure to sell you anything. Fees can range from an hourly rate for work done, a flat fee to create an individual financial plan or a fee based on the percentage of assets managed. Fee-only planners may not have any direct motivation (i.e. commissions) to help you implement the plan. Having a plan and not implementing it is equivalent to having no plan at all. Only focusing on cost or commissions rather than value, may lead you to short-change yourself. A more important measure should be how your plan functions and whether or not you are achieving the benefits/results you set out to achieve.

Hiring a financial advisor can be a scary thought for many people. To build a complete and

comprehensive plan, an advisor has to become

The Clock is **Ticking**

Written by Robert Gignac – author of Rich is a State of Mind.



Latin - "Quo Vadis". The phrase means "Where are you going?" and it is a good question to ask in times of turmoil.

Current estimates are that less than 40% of all Boomers (many readers of this article...) currently use a financial advisor. Interesting. As many of these same boomers have a personal trainer at the gym, a coach to help them with their golf swing or see the value in providing tutors for their children, what stops people from seeking guidance with their financial future?

Emotions Rule

Money is still a very emotional issue for many Canadians - even in 2013. My work in speaking to financial advisors across North America and their clients confirms this fact. We all feel that we should be doing better. We compare ourselves to others which is self-defeating (and always leaves us feeling as though we are somehow lacking) and many of us feel inadequate about our financial knowledge.

We need to understand that our personal financial future includes much more than just money in terms of bank accounts, mutual funds, RRSPs, RESPs and TFSAs. Our use of credit, insurance, wills, written financial plan, powers of attorney (for personal or health care and property), are part of having a comprehensive financial plan for our future and for that of our families.

familiar with your entire personal and financial situation. You have to be comfortable and

willing to share personal information with them. They have to understand your dreams and goals. Sharing personal information with a 'stranger' can be scary. Don't be intimidated. Financial professionals aren't there to pass judgment and they can help you attain the goals you want for yourself and your family. Keep in mind they don't do it for you. You are responsible for your part in the planning process; nobody will care more about your money than you will.

Are we living in "interesting times"? Absolutely. But these difficult times won't last forever and your financial future awaits - the clock is ticking.

Robert Gignac is the owner of Taynac & Associates - providing keynote presentations, seminars and workshops on personal financial development and motivation. He is the co-author of the International best-seller "Rich is a State of Mind" now in its 14th printing – more can be found at: <u>www.richisastateofmind.com</u>. To book Robert to speak at your next corporate or client event, please contact him at: robert@richisastateofmind.com

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