

Working with a Financial Planner

1st March 2020

A financial planner helps clients make choices about what to do with their money, property, and other assets. Most financial planners are experts in certain areas but they should all be able to help with life insurance, investing, saving, retirement plans, tax implications, and estate planning.

Do I need a financial planner?

Almost everyone needs some sort of financial planning. Yet many people find it all too easy to put off planning for years, even up to retirement when they suddenly find there isn't enough money. You might know your financial goals, such as buying a new home or saving, but you may not know how best to meet those goals. A financial planner can help with the following:

- planning for taxes
- planning for private school
- managing your insurance
- planning your retirement
- planning your estate
- planning your investments

In addition to a written financial plan, a planner may offer other services such as income tax preparation, investment management, and insurance sales. Depending on your financial situation, you may need a financial planner to advise you not only in setting your financial goals but also in helping you put your plan into action.

Working together on your financial plan

A planner will work with you to examine your current financial situation and suggest a plan to help you meet your financial goals. The planner might set up a series of meetings with you to gather information, help you define your goals, and provide written recommendations on financial strategies. It's important to find a financial planner whose expertise matches your situation and needs. Before you begin working together, you'll want to understand what it will cost—both directly, in fees, and indirectly, in

© LifeWorks 2020

heartbeat+

Working with a Financial Planner

1st March 2020

commissions—before you begin working with a financial planner.

When working together, a financial planner will take you through several steps to help you do the following:

Clarify your financial situation. A financial planner will help you look carefully at your current finances, helping you to list your assets (what you have) and liabilities (what you owe). Your planner will most likely ask you for tax returns, securities records (i.e. stocks and bonds), insurance policies, and other papers to help determine your net worth (what you have minus what you owe).

Identify goals. Next, the planner will want to understand your personal and financial goals. Questions will include whether you want to save for a special holiday, help support aging parents, reduce your debt, plan for a child's education, or save and invest for retirement.

Identify roadblocks. After understanding your goals, the planner will work with you to work out what roadblocks might keep you from meeting your goals. These might include investments that don't provide sufficient yield; lack of insurance to protect your home, savings, or income; or spending habits that are pushing you into debt.

Create a plan. The planner will create a written plan outlining how you can meet your goals. The plan will include types of investments and insurance products, suggestions for budgeting, and a timeframe for achieving short- and long-term goals.

Implement the plan. You may implement the plan yourself or have the planner help you choose and purchase appropriate investment and insurance products.

It's a good idea to have a meeting with your planner at least once a year to review your progress towards your goals and revise the plan accordingly. You should also talk to your planner whenever your personal or economic situation changes, for example, due to marriage, divorce, having children, health changes, an inheritance, unanticipated major changes in income or expenses, or a change in your financial goals.

© LifeWorks 2020

heartbeat+