

Financial Planning Starts With Identifying Your Goals

If you talk to people who have achieved financial security, chances are that they work with a professional advisor. An advisor provides immense value in a number of areas, not the least of which is helping you create and maintain a robust investment plan.

It's beneficial to have a customized plan that addresses your financial objectives and other circumstances that are unique to you. A plan takes into consideration your key financial goals, and guides you by listing tangible steps you should take to achieve those goals. Having a formal plan keeps you focused and disciplined, plus it's a flexible document that can be modified at any time to reflect changes in your personal circumstances (getting married, having kids, changing jobs, receiving an inheritance, etc.).

Identify your primary goals

Everyone has short- and long-term goals in life, so the key to incorporating these objectives into your investment plan is to prioritize them and be as specific as possible. For example, a short-term goal might be to buy a vehicle. Let your advisor know when you'd like to buy it, how much you're prepared to spend and whether you will need financing to complete the purchase. Also consider the ongoing costs of vehicle ownership, such as insurance, maintenance and repairs, parking, fuel, licence plate renewals, etc.

An example of a long-term goal is retirement. When do you plan to retire and how will you occupy your time? Where will you live and what other major expenses do you anticipate? What will likely be your sources of income and roughly how much cash flow do you expect to have (and need) in retirement? Based on your health and family history, what's a reasonable life expectancy for you? What are your wishes regarding estate and legacy planning? Your advisor can help you map out a plan to see if you're on track for the retirement you want. If not, your advisor will recommend practical ways for you to get there.

Building your investment plan

Devote the effort you need to clearly articulate and define your short- and long-term objectives, and then work with your advisor to reflect these goals in your personalized investment plan. Your advisor will carefully assess your situation and recommend a comprehensive plan designed to meet your various goals.

This plan may include investing on a regular basis to help you generate wealth over the long run, so you'll have the money available to achieve your objectives. Your advisor will determine the components of your investment strategy – which may include mutual funds, exchange-traded funds, segregated funds or other insurance products, etc. – and then create a well-diversified portfolio with a sensible balance of return potential and risk management that is appropriate for you. Although investing can be highly complex and time consuming, your advisor has the expertise to monitor your investment portfolio closely and suggest modifications as your needs change.

To learn more about how we can build a suitable plan based on your needs, please contact us today.



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