

q&a

Canberra times: q&a

Q 1: I know people who have been to financial planners before and found them to be helpful, but I have never been to see one. Can you please explain what a financial planner can do to help the average person?

B.D., Theodore

A 1: There is a myth out there that you need to have \$500,000 to invest to go and see a financial planner. While some financial planners will have a preferred target market - which includes clients who have a certain level of assets to invest – there are many financial planners out there who are prepared to help, and work with, clients at any level of financial affluence. The key to this though is the client needs to be prepared to take action to take financial control. For many people a Financial Check Up with a financial planner for a reasonable fee is a great place to start.

Many people put off seeking financial advice because they are embarrassed of their current financial position, or they do not really want to know what is going on as they are fearful of hearing bad news like they will retire penniless! A few comments for these people are:

- 1) Let your past be the past, enjoy your experiences without regret, and draw a line in the sand now to say that from here on, you will take financial control and make the most of your financial situation. After all, being financially secure is your race only, and nobody else's!
- 2) For many people they are in a better financial position than they realize. We can be consumed by the financial weight of the coming few years (mortgage, school fees) and fail to see a bigger financial picture. Understanding the bigger picture can give you confidence that all is under control, reduce stress and can free you up emotionally to enjoy the nicer things in life again like playing with the kids.
- 3) Time is one of the best financial tools available. The sooner you know what needs to be done to improve your situation, the sooner you can be on that path and the greater the end result can be.

When you do go and see a financial planner, know that they are generally tuned into looking at your overall financial picture including: income, expenditure, assets (home, investments, super), liabilities (mortgage, loans), insurances (personal and general), estate planning and financial strategies. They look at whether these components are working well together, identify where any risks to your financial situation lie, and recommend solutions to improve your position.

A financial planner can also prepare financial projections for the future and help you understand how various financial strategies can work for you. Investment advice is simply one piece of the complicated puzzle. And as your financial situation and objectives change, an ongoing relationship with a financial planner can provide ongoing peace of mind that you are making the most of your financial situation.

Phil Thompson is a certified financial planner and authorized representative of Rise Financial Pty Ltd (ABN 86350987645), AFSL 311718, a principal member of the Financial Planning Association. Answers should be used as a general guide only and professional advice should be sought before making investment decisions.

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