



**ASK AN EXPERT
FINANCIAL PLANNER**

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NON-INVESTMENT PLANNING ESSENTIALS

My goal this year is to finally get my financial affairs in order. There seem to be so many areas that need to be looked at...where do you recommend I start?

IN MY WEALTH management practice, most people come to me initially wanting sophisticated investment strategies to enhance their wealth. While investment strategies are important, the other areas of your financial plan must first be in place. Below are the basic, non-investment planning areas everyone should take care of:

ESTATE PLANNING

Depending on your situation, there are many estate planning strategies that can be implemented. However, absolutely everyone should have the following three areas covered, at a minimum:

- Wills
- Power of attorney
- Guardianship & trustee arrangements for children

These are relatively easy and inexpensive to set up—you just need to commit to doing it.

INSURANCE PLANNING

Nobody likes paying insurance premiums, but the financial risk of not being properly insured is enormous. I always suggest looking at the following three types of insurance protection to protect your family and your finances:

- Life insurance
- Disability insurance
- Critical illness insurance

Not having the proper insurance protection will not only affect you and your family. It could also affect friends and extended family that might need to step in and help should you face an unanticipated disability, illness or death.

RETIREMENT PLANNING

Many people don't properly plan for retirement, or wait until a couple of years before retirement to start. This is an enormous mistake. Contact a financial planner who specializes in retirement planning to review the following areas that will affect your retirement:

- Retirement income sources
- Estimated retirement expenses
- Life expectancy
- Taxes
- Inflation

With this information, a financial planner can provide you with projections of how your retirement will look. More importantly, you should receive well-considered options and suggestions on how to improve it. Again, the earlier you do this the more time you will have to implement the changes required to ensure a worry-free retirement. Start this TODAY and contact a financial planner—you will be glad you did.

TAX PLANNING

I strongly believe that true wealth is gained or lost with proper tax planning. For many people, tax planning means preparing your annual tax return. In fact, when it comes time to prepare your tax return, it is already too late to do any planning. Below are some basic areas to start reviewing today, to keep more of your hard earned money from the tax man:

- Maximizing the tax deductions and credits available to you
- The proper utilization and timing of tax-deductible RRSP contributions



- The use of vehicles such as tax-free savings accounts and registered education savings plans to shelter taxes on gains and interest

Regardless of your age, these are the basic issues that need to be addressed immediately. Look at your financial situation right now and check off the steps listed above that have already been taken care of. Then, note the areas you have neglected and contact a qualified financial planner today to plan your strategy and keep you on track. As always, you may contact me with any questions at jswanson@bmfj.ca.