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Do You Need Financial Planning Advice?

Answer these questions and decide for yourself

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December 2014

Financial planning is the process of organizing financial matters to achieve your goals in life. Are you organizing your affairs well enough to meet your objectives? Do you have unanswered questions about how to manage your financial future, or are you wondering whether you are doing things right?

Here are sixteen questions to help you decide if you should get professional advice:

- | | Yes | No | Not
Sure |
|--|------------|-----------|---------------------|
| 1. Have you taken time to consider what you want to do in life; that is, have you set some specific goals? | | | |
| 2. Can you afford to achieve these goals, and retire by the age you desire? | | | |
| 3. Do you have an up-to-date Will and Power of Attorney? | | | |
| 4. Do you know your tax rate? | | | |
| 5. Do you know how much tax your estate would pay if you died today? | | | |
| 6. If you died today, can your family meet their needs without you? If not, or if you do not know, what should you do? | | | |
| 7. If you become disabled, can you carry on without or with a reduced income? If you have disability insurance through work, how long will it last and will you need to work at another job? | | | |
| 8. Do you know if you have enough (or too much) life, disability and critical illness insurance? | | | |
| 9. Do you know the difference between term and permanent (i.e. universal or whole life) insurance and which is right for you? | | | |

Financial Planning For a Balanced Lifestyle

- | | Yes | No | Not
Sure |
|--|------------|-----------|---------------------|
| 10. Have you considered ways to protect your assets to pass them on to your beneficiaries? | | | |
| 11. Do you know the best ways to save for the future – RRSP's, RESP's, TFSA's, regular savings, pay down loans, etc.? | | | |
| 12. Do you know that you can lose the principal portion of your savings if you invest in stocks, or bond and equity mutual funds? | | | |
| 13. Do you know if your investment portfolio is appropriate in terms of diversification, liquidity, risk and yield for you? | | | |
| 14. Do you have an appropriate emergency fund established to meet immediate but unexpected needs? | | | |
| 15. Do you know how putting your assets in joint name can save you or lose you money (and taxes) depending on the circumstances? | | | |
| 16. Do you know how using a trust in your Will and/or leaving your money to your grandchildren instead of your children may save taxes and protect the money from creditors? | | | |

If you answered no or were not sure about any of these questions, or do not know why the answers to them should be important to you, you should at least make some enquiries. Meet with a professional financial planner (look for their credentials, normally R.F.P., CFP or PFP). He or she can lay out your options based on your personal situation, and refer you to your specialist for your identified needs. Ensure your planner is qualified, and is sufficiently independent to give you objective advice, and not just sell you a product. For very specific advice about one issue, you can contact the appropriate specialist. For example, contact a Chartered Professional Accountant for your tax questions, an insurance broker for your insurance enquiries, and an investment advisor for advice on securities.

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