
FINANCIAL PLANNING

A Good Financial Plan Incorporates Five Broad Strategies:

Liquidity

Access to cash for problems or opportunities. A strategy around elimination of non-deductible debt and agreement on creative uses of credit linked to your investment strategy.

Estate

Simply stated a good estate plan measures "what you have" against "what you want" for your survivors. It should address concerns for your spouse, children, extended family and the community. Tax planning is an integral part of an effective estate plan. Proper documentation committing all the elements of your estate plan is key.

Disability

Unless you can afford to retire today then this is an important dimension of your financial plan. Similar to estate planning it is a practical measurement of "what you have" against "what you want" except that you are here to participate in the consequences.

Retirement

For high net worth, high cash flow families, it is unlikely that maximum RRSP contributions will build sufficient income producing assets to support your retirement income objectives. This then leads to a larger discussion of financial objectives for yourself and your family and developing strategies to reach those goals. The creation of an Investment Policy Statement will help avoid misunderstanding and facilitate investment decisions today while minimizing future decisions.

Intergenerational Wealth Planning

It is reasonable to expect that our children will incur significant post secondary education costs and usually there are additional costs associated with helping them transition to independent adult status. Our greatest ally in dealing with these costs is time and compound interest. A good plan should anticipate these future needs. Income splitting opportunities, tax minimization or deferral, ownership and control of the plans are some of the design criteria.

Priorities

It is difficult to quickly change your current position on liquidity and retirement; these are targets that are achieved over time. On the estate and disability side, circumstances can change very quickly and significantly impact every element of a financial plan. It is for this reason that we recommend clients address risk management issues quickly and first. From that secure foundation we move on to deal with investment management decisions.

Once we have strategies in place on all five broad subject areas, regular updates and review allow us to modify your plan to reflect current intentions.

