

Are You Too Young (or Too Old) to Get a Financial Plan?

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Life is complicated.

Many of us struggle when it comes to understanding financial matters. Figuring out how best to achieve goals and overcome challenges is difficult. Almost all Canadians will need some form of professional financial advice at some stage in their lives. Except that we're confused about what type of advice we need, whom we can or should get it from and who is qualified to provide it.

Monique Madan, a Toronto-based certified financial planner and Head, Financial Life Strategies at Quintessence Wealth says, "when you're starting off in your career and adult life, the benefit of planning doesn't necessarily have to do with long term eventualities. Sometimes it's just a matter of getting to understand what a reasonable budget is. If I can tell people, how to set up an appropriate budget, what proportion of their income to put against debt, and then get them on a course for success, it will more than make up for the fee."

Vancouver-based certified financial planner and co-founder of Money Coaches

Canada, Sheila Walkington states that "a financial plan can help clarify and prioritize your goals at any age. While we often associate financial planning with retirement planning, most of us have other short- and medium-term objectives, such as buying a home, maternity/paternity leave, career change, or saving for our children's education. A good financial plan helps balance today's goals with a secure financial future. The earlier you start developing and implementing a plan, the more time you

will have to meet your goals, and the more secure you will hopefully feel along the way.”

Planning may be more comprehensive earlier in your working life, but in your 50s and onward questions are more targeted. Madan says that clients wonder, “can I afford to enter an assisted living situation that’s going cost me \$6,000 a month?” There are also tax issues around inheritances to be considered.

A financial plan is an investment. Depending on the complexity of the plan, costs can be thousands of dollars. Some planners charge hourly rates if you require advice on a specific issue. Other advisors may provide “no-cost plans” if your investment size meets their minimum asset threshold. But keep in mind that you get what you pay for. Some companies also offer financial planning services as part of their employee benefits.

Life isn’t static, and your financial plan shouldn’t be either. Whenever your goals or circumstances change significantly, update your plan. “Your plan needs to evolve as you do. Working with a fee-for-service planner who can provide unbiased advice and tailor their services to your needs is a great option. Not everyone needs a full or completely re-written plan at every stage of her life. Having an ongoing relationship with your planner makes it easier to make updates over time,” says Walkington.