

canberra times: q&a

Q 1: With a new year here I feel as though I am in the same financial position as last year. Please give me some suggestions on how I can start to make a change for the better.

L.W., KAMBAH

A 1: You are certainly not alone when it comes to financial frustration, as it can be challenging to make a change which can be sustained over the long term. Many will vow in the new year to adopt a greater financial discipline and interest for the future, only to find those energy levels decline quickly. Professional help is at hand though through Certified Financial Planners, for a reasonable fee, and for people across a broad spectrum of financial circumstance.

It is a good exercise to try and understand where you would get the greatest benefit in financial advice, so you can match this to the various services financial planners provide. For example:

1. If you simply need assistance in understanding the factual components of your present financial situation; across cashflow, assets, liabilities, superannuation, legislative rules, etc. then a "Financial Check Up" general advice discussion may be all you need to enable greater financial confidence and control.
2. If you would prefer to understand what your financial future looks like applying the financial strategies you are presently adopting (such as whether you are on track to paying off your mortgage before retirement, or being financially self sufficient during retirement), then you may receive a greater benefit from having a "Financial Projection" prepared.
3. Or, if you would prefer to understand which of the many and various financial strategies would work best in your situation, then you could have prepared a comprehensive "Strategic Financial Plan", to give you confidence that you are applying the most appropriate and beneficial financial strategies in your situation.

Once you have received one of the first stages of advice above, then you may find that you do not need any further advice at that time. However for many, there is an opportunity and benefit in entering into an ongoing relationship with a financial planner. This traditionally has been because a client has wanted to have some money invested and managed. More common now though is where the ongoing relationship is taken on for financial understanding, control and peace of mind, and may not include any investments at all.

This service would be provided for a fee and can be based upon a number of components including value of investments managed, the number of meetings per year, the complexity of the client's situation, etc. Many "fee for service" financial planners will simply charge an agreed flat fee for services to be provided for the coming year. A few will even charge a flat fee regardless of investment value.

In short, there are different levels of service and advice which can be provided by financial planners. Try and understand what level of service would benefit you most and find a Certified

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Financial Planner who can provide that initial service to you. From there, you may work out that a mutually beneficial ongoing relationship is sensible.

If you are looking for greater financial understanding, control or simply wanting to offload the “stress” of thinking financial matters, then seek some advice. You may just find that a relationship with a trusted financial adviser is rewarding and liberating, both financially and emotionally.

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

Send your financial questions to phil@risefinancial.com.au