

# Do You Need a Financial Planner?

A common misconception is that only multimillionaires benefit from the services of a financial planner, but the truth is many people will find value in the advice of a financial expert.

## What can a financial planner do for you?

While a professional will adjust their level of service to the type of advice and help you're seeking, there are a few general services they'll offer.

- Review your financial situation by looking over your tax returns, income sources, assets, wills, insurance policies and retirement and estate planning documents.
- Help you craft financial goals and identify your needs, now and in the future (e.g., retirement).
- Create a financial plan.
- Explain the different savings and investment options, including mutual funds, RRSPs, retirement savings and pensions, college savings plans, stocks, bonds, etc.
- Guide you through the types of insurance that may help you best protect your family and assets.
- Reduce the impact of taxes so you can keep more of your earnings.
- Connect you with other professionals, including accountants, attorneys, etc., who may be able to help you execute your plan.
- Review your progress and help you revise your plan.

## 7 reasons to seek financial planning advice

If any of these scenarios sound like yours, you may want to consider meeting with your local financial professional.

### **You want to learn more about ways to boost your**

**savings,** build a nest egg or pay for college and emergencies.

A financial planner can offer advice to help you put your money to work for you. A professional can also help you refine and reassess your financial goals.

**You've experienced a major life change,** such as getting married or divorced, expanding your family, starting a new career or retiring. Whether you're combining or separating finances, or trying to stretch your budget, a financial planner can help you meet your savings and investment goals.

**You're not sure where to invest your money.** Investing can be tricky for people without prior experience. While you can research and review investment options on your own, a professional will help you pinpoint opportunities that allow you to meet your goals, while still matching your personal interests (e.g., socially responsible investing), your desired investment time frame and the level of risk you're comfortable taking.

**You've had a windfall.** If you've won the lottery, received an inheritance or had a significant increase in your income from a new job, position or side business, a planner can help you maximize your money.

**You're taking care of an aging parent.** A professional may be able to help with estate planning information, life insurance, etc.

**You're just starting out in your career.** Meeting with a planner when you're just starting out may set you on the fast track to financial freedom. The earlier you start saving, the more you'll be able to save over time, even if you're not saving a large amount of money per month. Having a professional on your side to guide you through important financial decisions may also help you avoid common spending and investment mistakes.

**You want impartial advice on your financial plan.** If you've created your own financial plan, an unbiased professional may help you identify missed opportunities or offer advice that helps you rethink your approach.





# Are you interested in meeting with a financial planner?

If you're ready to seek the services of a financial professional, keep these things in mind during your search.

**1. Review their credentials.** Financial professionals in Canada may have the following designations:

**CFA** – Chartered Financial Analyst®  
**CFP** – Certified Financial Planner™  
**ChFC** – Chartered Financial Consultant®  
**CIM** – Chartered Investment Manager®  
**CLU** – Chartered Life Underwriter®  
**CMP** – Certified Management Professional  
**RFP** – Registered Financial Planner®  
**TEP** – Trust and Estate Practitioner

In general, Quebec has tighter regulations when it comes to professionals offering financial advice to clients. Additionally, CFPs and RFPs don't typically sell financial products and will instead guide you through your savings and investment strategies.

**2. Talk to them ahead of time.** It's important to feel comfortable when working with your planner. Call your list of potential planners and ask if they have a minimum financial requirement. Many require clients to have more than a specific amount to invest. Then, set up meetings with two or three of them to see if you click. Compile a list of questions about their qualifications, fee structure and charges, other services, etc.

**3. Learn more about their fee structure.** Some professionals charge a fee, while others charge a percentage of your assets or earn their income through commission. Ask about their fee structure and ensure you understand.

- **Fee-only:** Professionals who require a fee for service or charge by the hour. This is common for ones who serve smaller investors.
- **Commission-based:** Professionals who are paid through commissions or service charges.
- **Asset-based:** Professionals who charge fees on a percentage of your portfolio.

**4. Write down your questions ahead of time** so you can get the most out of your visit. This will save you and your financial professional time in the long run.

**5. Bring your financial information to your meeting.**

If it's your first time meeting with them, bring income and savings information, current investments, etc. If you've met with them before, be sure to provide them with any updated income information and make them aware of any other changes. Your financial planner can use this data to help you revise your goals and offer new savings and investment options.

## 5 questions to ask your financial planner

1. What is your experience and what are your qualifications?
2. What services do you offer?
3. Will you be my primary planner or will I work with other planners in your office as well?
4. How much do you charge? What is your fee structure? Do you charge a fee or work on commission?
5. Have you been disciplined for unlawful or unethical actions in your professional career?



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