

Five tips to give your financial future a clean bill of health

It's the consultation that most people dread – a bit like going to the dentist or getting a physical. You have anxiety about not saving enough for retirement; or adjusting your budget to match your income; or perhaps you need to plan for your kids' education. These are daunting thoughts, but the anxiety is unnecessary, says *Sherwin Govender, Business Development Manager at Glacier*.

Your annual check-up with your financial adviser is as critical as any other and goes a long way to help you anticipate – and plan for – future financial well-being. So, don't put it off, he says. The yearly once-over of your finances, investments, estate planning and retirement planning, is an important practice for all-over financial health and will help you retire with confidence. He provides some tips on how to get the most out of your annual financial check-up.

Five tips to make the most of your relationship with your financial adviser

1. Know why you need financial advice (and make peace with it).

Research has shown that humans don't always make the best decisions when it comes to our money. We are emotionally involved with our finances and this often trips us up. We make a decision that seems like a good idea but ends up hurting us down the road. Managing these emotions and making the tough and effective decisions, is where good advice is most valuable. Even qualified and experienced financial industry professionals have financial advisers. Advisers offer objectivity to steer you away from bad decisions and ideas that are financially unhealthy.

2. Choose a financial adviser with whom you feel comfortable.

Just like a doctor or dentist, your adviser is going to delve into matters that are the most personal to you, so you need to appoint someone you can trust. This can be tricky, given the number of financial advisers out there, and their many areas of specialisation. It's important to question your adviser on their qualification; experience; and the range of financial products that they could advise you on. Even if they tick all the boxes - personality fit, shared values and their ability to

relate to you as a person, go a long way to building a relationship that is central to your financial planning. Remember, it is entirely up to you regarding who you would like to assist you with your finances. It's a long-term relationship, so you would want someone that you click with on the journey.

3. Be honest (no, really).

A financial plan is like an item of clothing. The better it fits you specifically, the more comfortable you will be in the long run. For that reason, you should be as honest with your adviser as you can be. Your adviser needs to know details that have any impact on your finances. So, even if you think the information is insignificant, or embarrassing, disclose it. It can be difficult but think of it as telling your doctor about that spot situated in an embarrassing location. It is uncomfortable, but absolutely necessary. On the plus side, you also have the perfect opportunity to share your hopes, dreams and aspirations – your dream holiday or home or the future you wish to give your children. This is the time to express your goals. You and your adviser could collaborate to make them a reality.

4. Meet with your adviser at least once a year.

The standard practice in the financial planning space is to have one review of your financial plan per year. It is the recommended number of sessions that your adviser should spend reviewing your financial situation in order to make any adjustments to accommodate the changes in your life. However, this is the minimum frequency for a review. COVID has taught us that life can change quickly. You may have changed jobs, you may have been retrenched, there may be a new addition to your family or you may have landed a windfall. Any of these, or a new goal, require revisiting your existing financial plan.

5. Ask questions (even ones you think are stupid).

The purpose of this relationship is for your financial wellbeing, so you need to participate in the process. The first step is to ask as many questions as you like – simple ones and ones that may feel awkward. Doing some homework on financial planning solutions and issues would be great but it is not always possible. Financial planning is inherently complex, and this is the main reason that we need to get advice in the first place. Here is a list of questions that you could ask about the plan that your adviser has proposed:

- What are my benefits? What am I getting?
- What eventualities have I been covered for?
- When would I be able to access cash?
- How tax-efficient is my plan?
- How much can I lose if the economy isn't doing well?
- How much does this cost?

- What fees am I paying?

If your adviser can give you comprehensive answers to these questions, that you feel comfortable with, then the financial plan is likely to be a good one.

Need an appropriately authorised financial adviser? Find one [here](#).

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