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Q: My New Year's resolution is to get my financial affairs in order. There seem to be so many areas that need to be looked at—where do you recommend I start?



In my wealth management practice, most people come to me initially wanting sophisticated investment strategies to enhance their wealth. While investment strategies are important, the other areas of your financial plan must first be in place. Here are the basic, non-investment planning areas everyone should take care of:

ESTATE PLANNING

Depending on your situation, there are many estate planning strategies that can be implemented. However, I feel absolutely everyone should have the following three areas covered, at a minimum:

- wills
- power of attorney
- guardianship and trustee appointment for children

These are relatively easy and inexpensive to set up—you just need to commit to doing it!

INSURANCE PLANNING

Nobody likes paying insurance premiums, but the financial risk of not being properly insured is enormous. I always suggest looking at the following three types of insurance protection to protect your family and your finances:

- life insurance

- disability insurance
- critical illness insurance

Not having the proper insurance protection will not only affect you and your family—it will also affect friends and extended family that need to step in and help should you face an unanticipated disability, illness or death.

RETIREMENT PLANNING

Many people don't properly plan for retirement, or they wait until a couple of years before retirement to get started. This is an enormous mistake. Contact a financial planner who specializes in retirement planning to review the following areas that will affect your retirement:

- retirement income sources
- estimated retirement expenses
- life expectancy
- taxes
- inflation

With this information, they can provide you with projections of how your retirement will look. More importantly, you should receive well-considered options and suggestions on how to improve your retirement scheme. Again, the earlier you do this, the more time you will have to implement the changes required to ensure a worry-free retirement. Contact a

financial planner today...you will be glad you did!

TAX PLANNING

I strongly believe that true wealth can be gained or lost with proper tax planning. For many people, tax planning means preparing an annual tax return—but it's actually too late to do any planning by that time. Below are some basic areas to start reviewing today, to keep more of your hard-earned money from the tax man:

- maximizing the tax deductions and credits available to you
- the proper utilization and timing of tax-deductible RRSP contributions
- the use of vehicles such as tax-tree savings accounts and registered education savings plans to shelter taxes on gains and interest

Regardless of your age, these are the basics that need to be taken care of. Look at your financial situation right now and check off the steps above if they've already been taken care of—then make a note of the areas that need work and contact a qualified financial planner today to coordinate your plan and keep you on track.

As always, contact me with any questions at jswanson@bmf.ca.