

# FINANCIAL PLANNERS



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## PROFESSIONAL HELP

# Showing you the way



Financial planners  
are not all created equal.  
Finding the right one  
for your needs is an art

**PAUL BRENT**  
SPECIAL TO THE STAR

Considering investors are, to a great degree, determining their level of wealth and comfort in retirement when selecting a financial adviser, few give the process the time and care it deserves.

Finding the right person includes determining your current and future requirements, goals and aspirations. If you are starting "adult life" and all that goes with it — marriage, early career and first mortgage — chances are you will need less help with your finances than a couple in their 50s or 60s who are seriously plotting out their post-work financial lifestyle.

"If you are 25, 30 years old and are just starting out, getting your mortgage, that kind of thing, you are probably best served by going to the bank and just buying some mutual funds," says Frank Wiginton, a financial adviser with TriDelta Financial Partners.

"If you are much more sophisticated, you need much more complex tax planning, estate planning. You need to move to people who can manage that for you, meaning you need to move away from the banks and where you are working with someone who has limited edu-

cation, limited experience, and move to a much more sophisticated role or level."

For mature investors, that may mean searching for an adviser with qualifications such as a chartered accountant, or a lawyer with expertise in tax and estate planning. If you have a sizeable portfolio, you

may need someone with a portfolio manager designation who can manage your investments with discretion, without calling on you for approval for every transaction.

How the adviser is compensated is also a consideration.

Wiginton has primarily been a fee-based planner during his career

and believes that structure provides many advantages to those seeking financial guidance. Typically, the adviser is paid a fee per hour to draw up your plan and recommend products (but not buy them).

This approach "removes any bias towards any product one way or another and takes that out of the equation," he says. "If (the adviser) is working for one of the mutual fund companies or big banks, there is greater pressure to be selling the company's products. They might be good products but they might not be the most appropriate for the client."

Financial-industry experts recommend that you interview at least three potential candidates to be your financial adviser. You can identify possibilities by canvassing friends, relatives and work colleagues, as well as by asking professionals with whom you already have a relationship, such as your lawyer, bank manager or broker.

A financial adviser should be willing to sit down with you and your spouse for an hour-long interview. Take this interview as seriously as a job interview.

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## Canadians neglecting to prepare

Investors aware of its importance, but few seek professional help

**TALBOT BOGGS**  
SPECIAL TO THE STAR

More Canadians are recognizing the value of having a financial plan, but many are still not doing anything to get one, says Cary List, the newly appointed president of the Financial Planners Standards Council.

In a survey conducted for the council, 75 per cent said they believe financial planning is important to their future well-being. Almost the same number, 73 per cent, said having a financial plan is important.

Only 27 per cent, however, actually had a financial plan that was written by a professional.

Why are Canadians so reluctant? "Human nature often stands in the way," says List. "People have a natural aversion to the unknown. They're afraid they might find out something they don't like."

**6** *Our culture works on the concept that we should focus on enhancing our income so we can spend*

**CARY LIST,**  
FPSC PRESIDENT

As well, North America is a spending-driven society with people focused on satisfying their immediate desires and needs.

"People are frightened that they may be advised not to spend," says List. "Our culture works on the concept that we should focus on enhancing our income so we can spend."

Financial planning is making strides in the technical competencies of its practitioners and the public's understanding of what financial planning really is.

"There is more awareness among Canadian consumers that financial planning is about managing all aspects of their financial affairs to meet their life's goals," List says. Financial planners most often provide advice to their clients on asset management, investment, retirement, tax and estate planning.

List's organization recently conducted a major study to determine exactly what a financial planner does and the competencies he or she needs to do it.

The study identified 109 core