



A Prescription for Financial Wellness

The medical industry recommends an annual checkup to ensure your mind and body remain in optimal condition. Shouldn't you schedule a similar checkup for your finances? Your financial health needs at least a yearly, if not quarterly, checkup. These regular checkups ensure your long term wellness as your life changes by establishing an ongoing conversation about your financial health plan.

Prescriptions for long term financial wellness:

Discuss financial plans and goals in advance. A regular wellness check simply means discussing what you are thinking of doing with a financial advisor -- **instead of** what you have already done. Many wait until a crisis or major life change occurs, and then they seek out a financial advisor to help them put the pieces back together. People often come to me with stories of the financial mistakes they have made. Sadly, the consequences of financial mistakes frequently worsen over time. Although it may be intimidating, be frank with a financial expert about your mistakes despite any embarrassment you may feel. We can help. An experienced and knowledgeable advisor can minimize the consequences of mistakes and help you adjust your plan so that future goals may still be accomplished.

Don't self-diagnose. Many try to diagnose their own financial health, using books or websites. These resources provide only general financial information, so your results will only be as detailed and personalized as the software allows, increasing the odds of misdiagnosing your specific situation. There are numerous websites that will give you free recommendations after you input your personal financial data and many more financial software programs available for purchase for financial "do-it-yourselfers." For years, there has been a debate about whether financial advisors add value. Various studies show that investors who work with professional advisors have better odds of meeting financial goals than investors who invest and plan on their own. On average, advisors add 4% in incremental value to clients. Do really you want to leave your financial future to a faceless, generic software program?

Adjust your financial plan as your life changes. I cannot emphasize enough how important it is to monitor and adjust your plan as your life changes in order to maintain overall financial wellness. Regular monitoring allows you to make changes in a planned and strategic way, creating the desired long term results. Just as a medical professional recognizes the early symptoms of illness, an experienced financial professional can help identify financial symptoms as they arise and successfully avert potential problems before they become critical.

Bring in specialists as needed. Wellness encompasses many aspects of your life. Mental health requires managing stress and depression; physical health requires regular exercise and proper nutrition. Your financial health requires managing not only your Cash Flow but also Taxes, Estate Planning and Succession Planning. Just like a general practitioner, an experienced financial advisor understands the details of your specific needs and can ensure that all of your financial prescriptions are working together and not in conflict. A financial advisor has established relationships with specialists and can bring them in as needed to assess overall financial health. You need an advocate to review and verify that the “medicine” does not produce unexpected adverse side effects, and if side effects are present, to quickly explore alternatives. Conflicting financial prescriptions or strategies are not an unusual occurrence. Many times what is advantageous in the legal realm is not the smartest choice when dealing with your taxes and vice versa. For example, CPAs typically focus on the immediate and possible tax repercussions of a decision, while legal decisions may be made solely on your stated final wishes. When all aspects of your needs and wishes are actively discussed, it is possible to make modifications to your financial plan to achieve goals while minimizing any potential side effects.

Choose the right financial “doctor” for you.

A regular wellness check is not the only critical element to ensuring your financial health. Choosing the right advisor is extremely important. When you select a medical doctor or specialist, you want a doctor who is experienced, knowledgeable and personable. These same considerations apply when choosing your financial advisor. Also, you should verify the advisor you select is a fiduciary – which simply means he/she is bound by law to act only in your best interests and no one else’s. It may be surprising to know that there are many client contracts with financial firms that state otherwise. Interview several advisors, asking specific questions to determine what their emphasis is and if there is a good fit. Some questions you will want to ask prospective advisors: How do they get paid for their services – is it through fees, commission, or a combination of both? How often do they meet with clients? How many clients do they have? (The number of clients may be an indication of the amount of time they spend developing relationships with each one.) Developing a long term relationship with your advisor is beneficial, just as it is with a doctor. Changing doctors continually, whether medical or financial, increases the possibility of miscommunication and confusion about your goals.

Audrey W. Jones is a CERTIFIED FINANCIAL PLANNER™ professional with over 18 years of experience in the Orlando area. She is a registered investment adviser representative of Bauerle Financial, Inc.

Her specialties include estate, tax and retirement cash flow planning.

The firm’s disclosure document can be found at www.FinancialLifeDesigns.net