

WHAT IS FINANCIAL PLANNING?

In simple terms, personal financial planning is the process of managing your money to achieve personal goals and achieve “financial freedom.”.

Quite often, we see people who think that “financial planning” is just another way to say “wealth management”. So what happens is that people miss out on the many other facets of financial planning. And along with that misconception, there’s the people who think you have to have a lot of money to invest or that you have to

have a lot of assets before seeing a financial planner.

Of course, nothing could be further from the truth. Financial planning covers every stage of your financial life cycle.



As you can see in the diagram, you can begin the financial planning process at any time.

So if you thought that it was too late to get on track financially, you’ll be happy to see that just isn’t true.

And, every member at Lake view Credit Union can access the
(continued on Page 2)



Inside this issue:

What is Financial Planning?	1
Ground Zero—Determining Your Current Position	3



WHAT IS FINANCIAL PLANNING?

(continued from page 1)
 services of our financial planner— and the service is absolutely free. Imagine, the knowledge of a professional financial planner, right here at Lake View Credit Union!

"the services of our financial planner....are absolutely free."



So what can you expect? First, you'll come in and talk about your current financial position, your goals and special plans you have for the future. This gives our planner critical information, which in turn allows her to provide you with suggestions that are specifically tailored to your unique needs.

The most important outcome from your meeting will be your personalized financial plan. Depending on your situation, your personal financial plan might be a budget - a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as rent or utilities, and also reserves some income for short-term and long-term savings.

A financial plan can also be an investment plan, which allocates savings to various



assets or projects expected to produce future income, such as a new source of income, an inheritance, a severance package or income from revenue property

Regardless of where you are now or where you want to eventually be, financial planning gives you real tools to help you achieve your goals. Just imagine having a future where you no longer have to worry about whether you have sufficient money to meet your needs.

Financial freedom can be a reality, if you've taken the time to create a financial plan that will help you get there.

GROUND ZERO—DETERMINING YOUR CURRENT POSITION

Just like you need a map to determine your route on a holiday, you need an assessment of where you are financially, so you can see how far you have to go to reach your goals.

There are many variables involved in the calculation of your personal net worth, which is essentially your current financial position, and the starting point of your financial plan.

Here are some examples of the questions you need to answer:

1) How much life insurance you have?

Why does this matter? Well, most importantly, your contribution to the financial plan depends on you being around to continue making that contribution. If you have a family, it is critical that if you were to die, your family would have sufficient money to

carry on the financial plan. Countless people every day pass away with no life insurance, leaving their family emotionally and financially devastated.

2) How much health insurance do you have?

An accident or health crisis can also lead to financial ruin. You need to ensure that if you were injured or became afflicted with a medical condition that left you unable to work, your family will be able to meet financial obligations.

3) How much do you currently have in cash and other liquid assets?

Ideally, you should have the ability to access six months worth of income to cover your expenses



in the event you lose your job or become unable to work.

4) Number of financially dependent persons in your family.

Your financial plan must allow sufficient money to support every member of your household that are dependent on you for their needs.

5) Your investment in real estate.

This category includes your personal home (if you own it), its current worth and your equity (the value minus your

(continued on Page 4)



(continued from page 3)

outstanding mortgage).

6) Any investment in pension plans.

This category would include your contributions to the Canada Pension Plan, and any contributions to funds through your employer. It is important to note that you become vested after 2 years in most pension plans, which means you are entitled to the amount you have contributed, plus the share paid by your

employer. The amount paid by your employer will remain locked in, which means you have no access to the money until you retire.

7) Your monthly income and expenses.

This will provide a snapshot of how much income comes into your home, and the expenses going out each month.

8) Amount of outstanding loans, home loans, vehicle loans, personal loans,

education loans and credit card loans.

This represents the total dollar amount of your short and long term debt

9) Other Investments

The value of any objects or investments other than those in previous categories.

This information, when gathered and analyzed, will present a picture of your current net worth, and forms the starting point for your financial plan.

Call today for your appointment.



DAWSON CREEK	250-782-4871
CHETWYND	250-788-9227
TUMBLER RIDGE	250-242-4871



Simone Charbonneau, PFP
Wealth Services Manager
Phone: 250-782-4871
Ext. 296