

Getting Organized

Managing Your Money

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A few years ago, a woman contacted me frantically looking for help. She had spent much of the past year caring for her dying father and had relinquished many of her own responsibilities. She was exhausted and overwhelmed from working full-time while caring for her dad. She felt she had one of two options, retire or burnout leave. Her desperate question to me was, “Can I retire, now!?”

Here’s a glimpse into how the conversation went: I asked to see her tax return, to which she replied embarrassingly that she hadn’t filed a tax return since she got divorced four years ago. She also hadn’t made any RRSP or TFSA contribution since the divorce either. She never thought of changing the beneficiaries on her work plan or insurance policies, so her ex-husband, who was now remarried, was still the beneficiary. She hadn’t gotten around to drawing up a new will either, so he was still the beneficiary of her estate as well. At this point she began to breakdown, overwhelmed by what a “mess” she’d gotten herself into.

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Step-by-step, with the help of a trusted accountant and notary, we got her taxes up to date and prepared a new will and mandate. She changed the beneficiaries on her insurance policies, and we evaluated her retirement and savings accounts, along with a comfortable inheritance she received from her late father. She felt a huge weight lifted off her shoulders as everything got organized. So, when I asked her what else was important to her besides retirement, she considered the question for a moment and replied “I actually enjoy my job. I was just feeling overwhelmed, and I need a break.” She had five weeks of accumulated vacation that she took that summer. She had more money than she realized and could easily choose to retire and live very well. But once she understood that she no longer needed to work, and the financial weight was lifted off her shoulders, her perspective changed. She ended up working for a couple more years, until she became serious with a man who was retired and decided to follow suit.

I think we would all agree that being organized feels good, especially when it comes to our finances. Unfortunately organizing one’s finances is not just putting away statements and tax returns in a tidy filing system. It requires making sure all the pieces of the puzzle are there and fit together. In some cases, feeling organized means getting involved in your finances, which may have, up to this point, been looked after by someone else – maybe a spouse or a parent. According to the global firm UBS, 63% of women say their experience during the Covid-19 pandemic has impacted how they think about their money.¹

Where do I start?

It can seem overwhelming to pull all aspects of your financial life together. But you must, to truly know where you stand. Start by gathering the important documents:

- Tax returns
- Savings & checking accounts
- Retirement Plans
- Investment Plans
- Home (mortgage/rent) information
- Wills, Power of Attorney, Trusts
- Insurance Coverage
- Benefits (medical, insurance, etc.)
- Pensions (work, government, etc.)
- Liabilities (credit cards, loans, etc.)
- Living Expenses
- Passwords

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What is most important to me today?

Our financial needs, wants and values can change as our lives ebb and flow. To feel “on top of” your finances you need to know at any given point in your life, what financial areas are important to you. Ask yourself some thoughtful questions about career, family, relationships, and lifestyle to assess what’s important today. Here are some to get you started:

- How am I planning for my children’s future?
- Will I ultimately be responsible for anyone else financially?
- Who would care for me or my family if something happened to me?
- Am I prepared for any changes in my career?
- Do I know what my lifestyle costs me?
- What would cause me to change my lifestyle?
- What upcoming changes in my life should I plan for?
- What am I most afraid of financially?
- What causes are important to me?

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Putting it all together

Once you have gathered all the data and have answers to some important questions, it’s time to put it all together. Financial Planners have the tools and software to put the pieces together and give you a picture of where you stand today and in the future. Look for a licensed Financial Planner and ask to see a sample financial plan to understand what kind of work they do.

If you’re looking to do it on your own, free basic financial calculators are available through various financial institutions to project and estimate into the future. These tools are not nearly as comprehensive as professional software but can give you an idea of whether or not you’re on track. Make sure to use conservative



assumptions when you estimate inflation, investment returns, etc.

Ultimately, the goal of putting it all together is to reduce stress and anxiety about current and future finances. By determining which pieces are solidly in place, and which pieces are missing, or need some work, an action plan can be created. Checking beneficiary designation, updating legal documents, and projecting savings into the future can help you determine if you’re on track towards your goals or if you need to make some adjustments. And sometimes combining all these pieces forces you to reevaluate those important goals. Taking the time to get organized, considering what is important to you, and establishing a plan, will give you a much higher probability for the success you’re hoping for!

GET ORGANIZED CHECKLIST: If you missed our virtual event **WOMEN: WIRED TO INVEST – Unlocking your financial power**, we have a recording available along with the **GET ORGANIZED CHECKLIST** mentioned during the webinar. Please contact Anna at (514) 981-5796 or Anna.Poblador@RichardsonWealth.com

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1. Source: UBS Own your worth 2020 – Women, wealth and the path to financial independence, 2020