


Everyone Needs a Plan!

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Managing Your Money

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“A goal without a plan is just a wish.” This quote by renowned French writer Antoine de Saint-Exupéry describes what many people encounter when they set goals... especially New Year’s resolutions. Now, the New Year is not only a **common time** to set new goals but based on the “Fresh Start Effect” it can be an **ideal time** to set new goals... that is, if you make a plan and commit to it!

The Fresh Start Effect is from behavioral science. It’s the idea that people are more likely to work toward their goals and feel motivated to achieve them when they think it’s the start of something new. It could be the beginning of a week, month, season, or year for example. The Fresh Start Effect gives us the idea of a clean slate, and an opportunity to leave past failures behind.

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However, even with the Fresh Start Effect on our side, failure is common when it comes to New Year’s Resolutions, and most goals – regardless of the time of year. This can be explained by the quote from Zig Ziglar: “Goals that are casually set and lightly taken will be freely abandoned at the first obstacle.” That’s why having a plan is so essential!

Would you invest in a business that has no business plan? Why not? Probably because the likelihood of the business succeeding with no business plan is significantly lower. Yet, most people continuously invest in areas of their lives where they have goals but no plan and then are discouraged by their lack of success.

Failing at goals IS discouraging! It can make one feel hopeless and can be unsettling, as well as heighten anxiety. Imagine you’re on a road trip with no GPS, no map, no plan, and you get lost in the middle of nowhere. Imagine the stress and insecurity you would feel. Not having a plan leaves you with no clear direction, especially in periods of adversity or unexpected events. A solid plan should have “what ifs” built into it. Figure out in advance how to handle unexpected situations so the plan doesn’t fall apart.

Since my expertise is planning around finances, I see the impact of having a plan firsthand. A recent Wealth Plan I worked on with a client had a “what if I need nursing care when I get older?” event. The Wealth Plan



accounted for this concern to ensure that this client’s financial situation would not be in jeopardy if that outcome presented itself. The result of the finalized plan was the client feeling a deep sense of comfort and peace of mind over her financial situation, today *and* in the future.

Having good investments and doing your taxes is not having a Wealth Plan. When it comes to having a plan for your finances, it goes far deeper than that. Depending on your stage of life the focal point may change, but every Wealth Plan needs to plan around current and future spending, building and protecting assets, taking on and paying off debts, tax planning and strategies for today and the future, and include planning for incapacity and legacy, regardless of your age.

“The problem is, while most Canadians DO have financial goals, the majority DO NOT have a financial plan.”

A three-year longitudinal study of Canadians, conducted on behalf of the Financial Planning Standards Council, revealed that those who engaged in comprehensive financial planning had significantly higher levels of financial well-being, emotional well-being, and overall contentment. They were 81% more likely to feel on track with their financial affairs. Individuals with a financial plan have a better handle on their cash flow, have a plan to pay down debt, and are more prepared for emergencies. They have a better understanding of their investments, they know what to do


to retire comfortably, and have greater peace of mind. Canadians who work with a Financial Planning professional (in Quebec the professional designation is F.P.I. or in French Pl. Fin.) are significantly more likely to feel peace of mind and feel like their financial affairs are on track than those not working with a certified financial planner.

According to a recent BMO survey², the majority (68%) of Canadians have set financial goals for themselves (i.e. retirement, vacation, paying down debt, etc.). This is great!! The problem is, while most Canadians DO have financial goals, the majority (69%) DO NOT have a financial plan. Therefore, most will fail at achieving their goals.

I hope I’ve convinced you of the importance of having a plan! Whether it’s a health or exercise goal, a relationship goal, an educational goal, a career goal, a financial goal, or an overall life goal... have a plan! If you don’t know where to start, look for resources online, find a book, or try a podcast. Even better, find a “coach” or an expert in the area who has success in developing and implementing plans. Start somewhere, and tweak as you go. “It’s better to have a bad plan, than no plan.” – Garry Kasparov.

¹ Financial Planning Standards Council. (2012, August). *The value of Financial Planning – home | FP Canada.* FP Canada. <https://www.fpcanada.ca/docs/default-source/communications/value-study.pdf>

² Financial Planning Standards Council. (2012, August). *The value of Financial Planning – home | FP Canada.* FP Canada. <https://www.fpcanada.ca/docs/default-source/communications/value-study.pdf>

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