

### **What is financial planning?**

Financial planning is the process of helping you decide what you want to achieve and balancing those plans against your financial resources and responsibilities.

It covers the short, medium and long term, and begins with simple questions such as: what is important to you in life, where do you want to get to and how can we help you get there?

The idea is to help you think about your goals. Often, these will be personal and will be about improving your life – pursuing a passion or thinking about retirement, for example. What is your purpose, in other words! From that, we can together plan how best to use your resources.

Any plan might involve others – planning for your partner and children and wider family. Care for elderly relatives is a growing concern and care for yourself in later old age is also more important than ever.

Any Financial Planning will be a wider discussion if you own a business, you want to be certain it will thrive if something happens to you and continue to thrive when you wish to exit. This brings in other considerations: how much can you exit your business for, how do you take care of your employees and how do you get value out of your business into your name?

The ultimate goal of financial planning is to ensure your financial security, and only you know what that means and what that looks like for you, whatever life brings. It can be the first time you have ever thought about it, what ever “it” is, this can be daunting but can also be exciting.

### **Why is financial planning important?**

Most of us are optimists by nature, but we also need to plan for the unexpected, and you’re far more likely to be successful in life and business if you have a plan in place.

Financial planning is about us asking you the questions you may not have thought about. It is the most important part of any process, the questions. We don't have the answers, we should, in fact, generate more questions to help you clarify what you want to do and what you need to do. Even if you're busy, you still need financial peace of mind and the questions are the start of this.

Think about your life now, how long can you survive with your current lifestyle if your income is lost. How long could your family survive with their lifestyle if you are gone? Or you survive if your partner is gone? Or if you have to take on extra responsibilities at short notice? When do you want to retire? What is retirement for you? How much will it cost every month to live without a salary?

Think about your business. Are you funding your pension to the maximum to ensure you're getting as much tax relief as possible? Do you have the correct insurances in place? If something happens to you, will other shareholders have sufficient capital to buy your shares?

Then there's intergenerational planning: If something happens to you, what about your family?

The questions are not universal, and the answers are not prescribed. Whatever the question is and what ever the answer may be, they are not wrong. They are yours and they must be, therefore, right for you.

A good financial planner is someone you can share the questions and answers with and also who you can pick up the phone to and be your voice of reason – ultimately, a good financial planner is your trusted confidante.

### **What are the benefits of financial planning?**

By having a financial plan in place, and expert help on hand, you're more likely to be financially successful and live the life that you want.

Financial planners make sure you're doing everything at the right time, from having wealth in the right place to making correct use of tax allowances.

It's also important to have a sounding board – a person you can trust when you need advice about a big financial decision.

Ultimately, spending less time worrying about your financial situation opens up more time for you to spend in other, more important, areas of life.

### **What is the main goal of financial planning?**

The ultimate purpose of financial planning is to help you establish what your future looks like and what you want to achieve in life.

Good financial planning is an ongoing conversation between you and your planner that helps you achieve your goals while prioritising your responsibilities.

The first step in **this process** is deciding what matters to you – establishing your purpose and supporting life goals. These can vary hugely, from starting a new business to retirement or going back to further education.

Once we, you and your family and your financial planner, have established what's on your mind, then a conversation can begin about your future. Ultimately, with help, you will be able to establish a clear path towards the future you want. This is where a good Financial Planner, working with you, can begin to consider what you can, and should or should not, change in order to reach your goals.

It's important to remember that goals and responsibilities are very different things. You need to balance the two. Good financial planning is achieving goals while considering your responsibilities.

### **What are the types of financial planning?**

Financial planning is particularly important during times of transition when stress and anxiety can be high and can affect decision-making. Examples of this include:

**Retirement planning** – issues to think about here include how long until you stop working, whether you'll stop completely and how you'll manage your time when you do stop. Generally speaking, the further in advance you plan for your retirement, the better.

**Business planning** – How do you make sure your business is successful? Considerations here include deciding how to get assets from the business into your name if you're the owner, ensuring your employees are looked after and planning for your exit and succession.

**Estate planning** – This usually revolves around inter-generational passing of wealth to children or grandchildren and mitigation of inheritance tax, where appropriate.

**Divorce planning** – If you're going through a divorce you may need to consider your options after a settlement, for example a property or an asset. We are often involved before the divorce goes through, but we can help at any stage.

### **What's the difference between financial planning and wealth management?**

Financial planning focuses on you, whereas wealth management focuses only on your money.

Financial planning is about you and your hopes, fears, aspirations, responsibilities and goals.

Wealth management funds your financial plan, addressing where your money is invested, whether you're utilising tax opportunities and how you want to pass assets to your next generation.

Financial planning helps you live the life you want; wealth management allows you to fund it.

### **What is the difference between a financial adviser and a financial planner?**

The key difference between a financial planner and a financial adviser is that a financial planner focuses on you and your goals. Meanwhile, a financial adviser will take a more transactional approach to your money and investments.

A financial adviser may highlight the best way to save money, a financial planner will take to you about the goals of investing money and the longer-term plans for that money. Financial planners find out about you and what is important to you in life – what are your aspirations and what are the things that challenge you or worry you?

From there, with our Financial Adviser hat on along with the Financial Planner work already done, we use our expertise in taxes, budgeting, pensions, and investments to create an overarching strategy and build a financial plan around your life goals and objectives.

### **At what point is it worth having a financial adviser?**

The simple answer is: always. A good financial adviser will add huge value over time. Ultimately, you want a financial adviser to make you money and there's never a wrong time to choose one.

There are so many benefits to having a financial adviser in terms of setting your goals, tax planning and investment. More broadly, it's about making you secure financially – removing any feeling of financial vulnerability that could affect you or your loved ones.

So, it is always something I would recommend. The key question for you to think about, is will the benefits of having a financial adviser be better used with financial planning?

The only answer is yes, you need to have a plan and then when the plan is there you can be advised. If there is no plan then the advice is sterile and just about the money, and life is too important for that. You are only here once and this is not a rehearsal, so planning then advice is the only appropriate long term solution.

We're always happy to have an initial chat about the services we offer and the value we can add.

The value of pensions & investments and the income they produce can fall as well as rise.

You may get back less than you invested. Tax treatment varies according to individual circumstances and is subject to change.

Exit strategies, succession planning, estate planning, inheritance tax planning, divorce settlements and tax planning are not regulated by the Financial Conduct Authority.

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