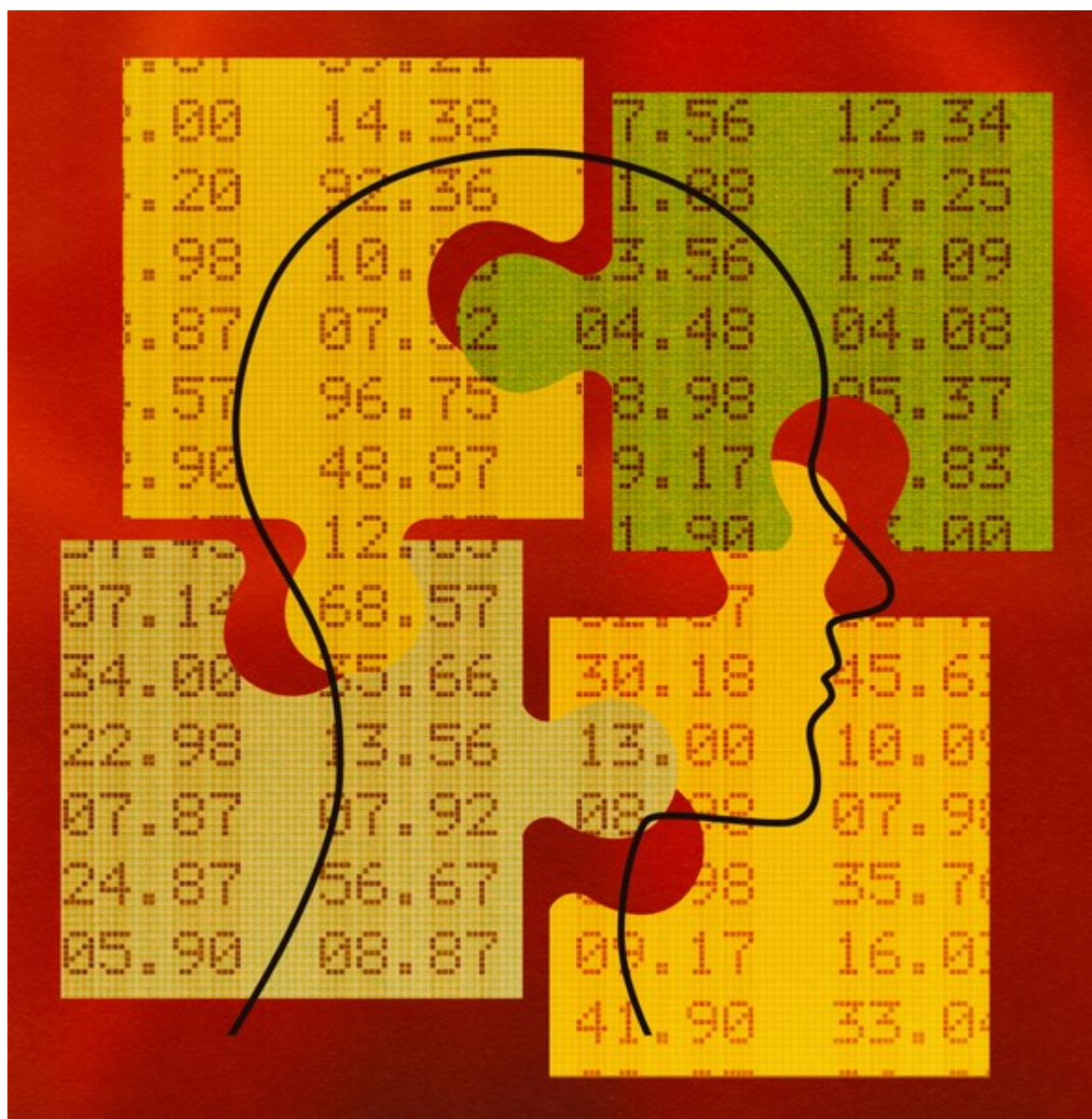


Smart Money: What does a financial planner do?

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A pretty standard question that is asked when you meet someone new is, "What do you do?" And I have a pretty standard answer. I say, "I am a financial planner." But I have yet to have someone respond, "Really? A financial planner? Wow, that's sounds so cool! Please tell me all about it!"



I get it that financial planning might seem dull and unexciting to some. And I am not saying that you need to care about my own financial planning practice. But you should care about your own financial planning.

Part of the issue is that a lot of people don't really know what a financial planner does. It seems like when I say, "financial planner", some people will hear "mutual fund salesperson" and they assume the extent of my job is trying to pick better mutual funds for people to invest in.

It's true that part of the work that I do involves mutual funds, but I think a better, fuller description of my work is I help people make smart decisions about their money so they can do the things that they really want to do in life. There is far more to financial planning than something as simplistic as whether mutual fund A is "better" than mutual fund B.

Honestly, I think that this vital point is often lost. When people get mired in product comparisons, and basis points, and benchmarks, and the quest for the "best", it stops becoming about the client and their unique objectives, and that's probably a mistake.

Here is what I mean.

I have always been a pretty active guy. Nonetheless, I admit, over the last few years I have put on some extra weight. Then the pandemic hit, and I put on even more. Finally, I said enough is enough, and I began making more time for my health. I have been working out more, and I have read a few books and joined some fitness groups, and here is the point of my story...

Some highly regarded weightlifting gurus think that you should do the minimum amount of cardio exercise possible. Even for people that are trying to lose weight.

Now, minimizing your cardio exercise is a weird concept for me. In fact, it is the antithesis of my own views. Me, I would love to do as much cardio as possible. I would like to run the Emperor's Challenge in under two hours. Not many people can do that.

But the thing is, these weightlifting gurus who tell people to do minimal cardio are not necessarily wrong. There actually are some studies that support that too much cardio can interfere with muscle growth. So, the weightlifting gurus are not wrong per se, they just don't have the same objectives as I do.

My objective is not to bench press 250 pounds, or to look like an Olympian in a speedo. My objective is to vigorously enjoy the sports that I play, and to live a long, healthy, pain-free, active life. And to help me do that, I will continue to mix a healthy amount of cardio in my fitness regimen. My objective is not really to grow more muscle. My objective is to live healthy.

So, can you see the implications of my story and how it relates to finances? People can seek out information, and that information can even be right, but that doesn't mean that the information is right for you.

Weights training vs. cardio? TFSAs vs. RRSPs? Mutual Funds vs. ETFs? You can't know if one is more appropriate until you first define what it is that you are trying to accomplish.

That's what financial planning is all about. It's not about whether "A" is better than "B", it's about making smart decisions so that you can reach your own unique Great Goals in life.

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