

# WealthHealth

A Monthly Financial Service  
Specifically for Physicians



## 5 Resolutions to Improve Your Financial Health in 2019

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It's not difficult to live the life you've imagined for yourself now, while still accumulating enough money for your future.

If you actually want to achieve more of your financial resolutions this year (personal and business), here are the five foundational planning steps you need to take. You may just be getting started, you may have taken two or three of these steps, or maybe it's time for a second opinion or overall review. These steps are tried and true, and necessary if you really want to develop a worthwhile financial plan.

### #1 GOALS

You likely set goals for your education and then for your career. You needed to do certain things to reach those goals.

You followed a roadmap and there were people along the way who helped you. Financial planning for your business and for yourself is no different.

The right health care specialist can have a huge impact on your physical health. The right advisor can have a huge impact on your financial health, now and into the future. That's why it's important to work with an advisor who understands the unique challenges and needs of physicians working in Canada and who can address financial strategies for reaching your goals. The Canadian Medical Advisory Network's group of advisors are exactly these specialists – we have years of experience working with physicians and we're familiar with your particular needs and opportunities. We can

help you set your goals and then achieve shorter-term objectives to ensure you're making progress.

Your goals should be relevant to you and reflect your values. They don't have to be particularly specific or detailed. It's ok if they change and it's ok if they're a bit of a stretch – that's what makes them desirable. The most important step is to identify them and monitor your progress.

### #2 PROPER ASSUMPTIONS

Making sure you have the right assumptions helps you and your advisors ensure your financial plan is customized to your goals.

- What are your expenses now and into the future?

- Do you want to travel? Buy a house? Fund children's education? Help a family member?
- What are your plans for your business?
- Do you want to retire early?
- What type of lifestyle do you want to have in retirement?

You need to make and use the appropriate assumptions as you work towards your financial goals. You'll need to think about your current family needs and business needs, and your lifestyle expenses. What you spend on your office operations, your home, children, travel, etc. all figures into your capacity to save for your future and for your retirement. All assumptions need to be taken into consideration. Monitoring and keeping your assumptions up-to-date is key to staying on track to achieving your goals.

### #3 CASH FLOW

A full and accurate picture of your cash flow is crucial. It's probably the most important component of the planning process. You and your advisors need to do some work to document it and then review it regularly to keep it accurate. Cash flow includes everything coming in and going out:

- Corporate income and expenses
- Personal household income and expenses
- Corporate and personal tax installments
- Debt repayments
- Lifestyle requirements
- Automatic savings contributions

Just like a thorough patient physical, your cash flow picture helps you understand what's happening with ALL your money.

Tax minimization has probably the biggest impact on your cash flow as an incorporated professional. The optimal corporate structure for your business, plus compensation, determines the degree you can minimize the tax you pay. The compounding impact of saving even a couple of percentage points in tax can have a profound impact over the long term of your career, on your overall financial plan, your capacity to save and the legacy you build.

For your professional practice, understanding and managing cash flow requires a coordinated effort. Your wealth manager should be comfortable in taking the lead in an integrated, coordinated effort with your accountant and lawyer. Physicians who are most successful in accumulating wealth have established long-term trusting relationships with these professionals. They should collaborate and work together to advise you on the most effective and efficient strategies you can use in your plan.

### #4 RECOMMENDATIONS

When all your cash flow details are identified and complete, only then can we make the right recommendations for your professional practice and your personal goals. Without a clear picture, your advisors can't make the most appropriate recommendations and you can't make the best possible decisions for you and your business. Just as

you can't make an accurate diagnosis without first knowing the patient's vital signs.

If you're receiving financial recommendations or acting on recommendations without completing a detailed cash flow analysis, that could be a problem. A CMA network advisor is familiar with working with health care professionals and can provide a second opinion for you.

### #5 ADVANCED PLANNING AND FOLLOW-UP

Just like an annual check-in with your health providers to ensure your physical well-being, you also need to commit to an annual financial physical. There are constant changes and advancements in the medical world, and there are also constant changes in the financial world. There are tax and regulation changes that may affect your business, or new financial strategies and products that may be right for you. You may experience a life change (marriage or divorce, new child or grandchild, relocation, new home) that requires a financial change or adjustment.

Like our physical and mental health and wellness, your financial health is not a one-time thing, a single event or a quick fix. Your advisor can help you create structure and discipline, recommend strategies and solutions, and help you stick to your plan.



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Your gain. Learn more  
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### IN FUTURE ISSUES



### Doctors' Frequently Asked Questions

In the next issue, we'll take a look at some of your most frequently asked financial questions and give some direction on how to answer them.

We live in challenging times. Industry disruption, political evolutions, compliance, tax changes and increasing demand on the health care system are just part of it. Physicians and specialists have unique planning needs and requirements, within the financial world and beyond. You deserve a specialist partner that can integrate multi-disciplinary input from a team of advisors to deliver an integrated and credible long-term plan.

**Specialist physicians require specialized financial support.  
Connect with a CMA Network Advisor today.**

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