

WealthHealth

A Monthly Financial Service
Specifically for Physicians



Getting Comfortable With Your Money

MONEY IS NOT ABOUT GETTING RICH, IT'S ABOUT BECOMING HAPPY

Financial decisions are really just life decisions. Like choosing a career, buying a house, getting married, having children, starting a business. Thinking like this helps you decide what it is you really want to accomplish and what will make you happy and fulfilled. It's also less scary. It will help you set goals and focus on why you want to achieve them.

MONEY AND EMOTIONS

Managing money, whether we're earning it or spending it, is a part of everyone's life. Knowing how to use money is important practical knowledge, but it's also good to be aware of our beliefs, attitudes and behaviours around money.

Do you:

- Believe money is power?
- Use money to reduce guilt?
- See money as the ultimate fixer?
- Believe money is a measure of personal worth and having possessions means happiness?
- Consider money a men's issue?

There's no absolute right or wrong when it comes to behaviour around money. It depends on circumstances, individuals and consistency of actions.

FEAR OR GREED

What's your emotional trigger? If you're nervous any time the stock market corrects, it's fear. If you can't stand to sit out of a rising market and you're an aggressive investor, it's greed. Learn

and understand which one affects you the most and develop your investment plan accordingly. Falling into either trap can lead you to sell at the bottom when you're scared or nervous, and buy at the top when you're greedy.

YOU'RE RESPONSIBLE FOR YOUR BEHAVIOUR

You can take ownership and control how much you save. You can invest with discipline. You can spend less than you earn. It's much easier to blame others for your mistakes – Bay Street, the big banks, the government, the economy. It's better to just own up to the mistake, learn from it and move on.

KEEP YOUR FUTURE SELF IN MIND

We need to control our emotions and be disciplined when we invest. Step away from your ego because investing can be full of regret. Don't forget you're responsible for your future self. The habits you develop now will affect you when you're 60. Always keep your future self in mind when making financial decisions.

ARTICULATE CLEAR FINANCIAL GOALS

Imagine arguing about whether to take a plane, train or car before you even know where you're going and what your final destination is. You must decide where you want to be when you want to retire or stop working, then you can ask yourself, how can I get there?

FLIGHT PLAN VS. ACTUAL PLAN

Think of your financial advisor as your pilot. You trust your pilot to fly you to your final destination. Things may not always go according to the flight plan, but your pilot will continue to make course adjustments along the way. You need to trust your financial advisor and the plan you developed together on how to manage your investments and reach your goals.

THE OVERNIGHT TEST

Here's a little visioning test. Ask yourself what you would do if someone sold all your investments overnight. The next morning you wake up and your account is 100% cash. Would you build the same portfolio you had the day before? If your answer is yes, why change your strategy now?

DELAYED GRATIFICATION

Investing is simple. But it's not easy. To reach your financial goals, it will be a slow process. There's really nothing exciting about it; it just takes time and discipline. Slow and steady capital growth is short-term boring. And, it's long-term exciting.

CONTROL WHAT YOUR BRAIN SEES

Ignore the market and the hype. Stop checking your portfolio every morning when the bell rings. Ignore *The Economist* and the latest Bloomberg discussions. Train your mind to be a better investor, by controlling the information your brain digests. You don't have to completely avoid financial news, just don't take it personally or internalize everything you read or hear. Focus on your end goal and work towards the best way to reach that goal.

TALK ABOUT IT

Just like other life decisions, talk it through. Talk about money. Money shouldn't be a secret or taboo topic in your house. Talk to your partner about your financial goals and what you want for the future. Take some time to build a shared vision of what your future looks like. For parents, take time and look for opportunities to teach your children about money. Children learn about money whether we deliberately teach them or not, so be conscious about what money messages your children are getting. Even a simple conversation can go a long way.

FINANCIAL WELL-BEING CONTRIBUTES TO EMOTIONAL WELL-BEING

The biggest mistake you can make when it comes to financial planning is avoiding it altogether. Research shows that Canadians who engage in comprehensive financial planning report significantly higher levels of financial and emotional well-being than those who do limited planning or no planning at all. People with comprehensive plans say they feel more on track with their financial goals and retirement plans, have improved their ability to save, are more confident they can deal with financial challenges in life, and feel better able to indulge in their discretionary spending goals. Now that's a clear incentive.

THE SECRET

Surprise, there really is no secret. Just boring, practical stuff like prioritizing paying down your debts, spending less than you earn, saving, and steering clear of big losses. We all make mistakes. When dealing with complex investments and markets, we're bound to make mistakes now and again. Even Warren Buffet over the years, admits to making mistakes and doesn't shy away from them. He tries to learn from them. Admitting you're not the smartest financial person in the room and learning from your mistakes leads to better opportunities and making better long-term financial decisions.



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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.
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