

# When financial advice is needed, turn to a professional

By Paul Rooney  
President and CEO,  
Manulife Canada

If there's one lesson from our recent global economic troubles, it's that Canadians need more advice and guidance, not less, to ensure their financial houses are built stronger for the future.

While a do-it-yourself approach may work to renovate a kitchen, it would be wise to seek out a professional contractor to build a house to last for generations.

For most Canadians and millions of others around the world, the market turmoil through late 2008 and 2009 delivered a wake-up call unmatched since the 1930s – we all want to be better prepared for the future.

The world today is very complicated and we all have to manage our finances, buy a home, help our children through school, plan for retirement, cope with health issues, or any other major event in our lives. Faced with a very complex tax and financial system, plus our own busy lives, does it not make sense that financial advice is important?

The sad reality is that many don't use financial advice. What is even more alarming is that an estimated seven of every 10 Canadians haven't yet built their own financial plans.

When the unexpected does arise, and it will, Canadians should look to a financial advisor to help them stay on course and adjust their plans.

Even as times improve,



many remain nervous after the market roller coaster ride. Most of us remain concerned about our savings, investments and debts. Many worry whether plans need to be changed or updated.

While Canadians understand the value of advice and expertise in many other facets of their lives – like finding a dentist to care for their teeth – they tend to avoid using the same thinking when it comes to their financial affairs. International research has shown that investors who use advisors generally have higher savings and are more confident in their financial well-being.

In tough times, even the most educated investors may just disengage. Worse yet, they can overreact and make decisions that weaken their long-term plans. A glance at Canadian mutual fund investing over the past two years tells a cautionary tale of overreaction: in 2008, we collectively sold off \$14.1 billion more in long-term funds than we bought – only to jump back into the market as our economic faith returned, driving net sales to \$17.4 billion in 2009.

The good news is that Canada has professionals coast-to-coast who can help develop and implement personal financial plans that reflect everyone's unique goals and objectives. It's important for each of us to review these plans regularly with our advisors. Our financial needs and tolerance for risk can change dramatically at different stages of our lives, and the best products and

solutions will change as well.

Of course, Canadians can choose to research financial products for themselves, but the important question is whether they have the financial expertise to do it on their own. As an actuary and financial executive, I consider myself to be financially astute; however, I use financial advisors for my personal affairs. I simply don't have the time to manage this myself.

Financial advisors are professionals who focus on building the right plans and combination of products for each of their clients, to reflect their individual specific goals and needs. When financial advice is needed, turning to a professional should be a top priority.

The time is right to help more Canadians find trusted and professional advice to set their objectives, create a plan, seek out appropriate solutions and stay focused on their goals to prepare for a better future. ■



**When financial advice is needed, turning to a professional should be a top priority. Sadly, seven of 10 Canadians lack a financial plan.** PHOTO: ISTOCKPHOTO.COM