Why You Should Choose a Financial Advisor

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There are common misconceptions about the value of working with a financial advisor. Some believe you have to be rich to be worthy of financial advice. Others take a DIY approach, believing that online resources will guide their needs. Some people feel that they are too young, too old, or too much in debt to benefit from working with a financial advisor. However, the truth is that financial advisors are not just for the rich, and they can play an essential role at any stage of your financial journey. Research supports the idea that a financial advisor can be an invaluable resource, a guide who will work with you and for you to achieve your financial goals.

For most people, the resolve for a healthier financial future isn't uncommon in the weeks following the holiday season. According to Manulife Bank of Canada's 2020 Debt Survey, 46% of Canadians say that debt negatively impacts their mental health every day.[1] Given that 85% of shoppers plan to use their credit card to purchase holiday gifts[2], it's not surprising that many people start their new year with a debt hangover. The good news is that you don't need to end the year in debt. Here are some strategies that could help put you in the driver's seat of your financial life, post-holidays and beyond.

Investment Strategies

Canadians who work with an advisor on their investment strategies enjoy almost four times the assets of investors who don't (over a 15-year period), according to a 2016 report by Cirano[1]. The same report debunks the myth that advisors only work with the wealthy. According to Cirano's study, the majority of Canadian investors had investable assets of less than $25,000 when they first started working with a financial advisor.

Savings Strategies

The ability to put away savings regularly is fundamental to reaching your long and short-term financial goals. 80% of those who work with a financial advisor say that this relationship empowers them to develop skills and strategies that help them achieve better long-term savings habits[2].

Tax Efficiency

Canadians who work with financial advisors utilize the advantage of tax-sheltered registered accounts at about twice the rate of non-advised Canadians. Working with financial advisors also increases access to a wide range of solutions and strategies designed for tax efficiency[3].

Increased Well-Being

Your financial advisor is your financial partner, and this relationship can make you happier. Beyond investing and saving strategies to help you achieve your goals, their professional advice may also play a vital role in reducing your stress around finances and the future. According to a 2019 study by BlackRock[4], 76% of those who work with a financial advisor report having an increased sense of well-being.

Managing investments and making consistently sound financial decisions takes skill and commitment. It is also not a one-time thing. Researching, executing, and monitoring financial decisions drains your most precious commodity, which is your time. A financial advisor has the skills, time, and expertise to support you through a lifetime of complex and changing financial needs, such as education, retirement and tax planning, insurance solutions, intergenerational and estate planning. Finding the right advisor may be the most significant step you can take towards feeling good about your finances now and in the future.

Now's the time to take action and get started. Contact our office **[1]** to find a financial advisor that is the right fit for you.

**Fictional characters for illustrative purposes only.*

Sources:

1. 2016. The Gamma Factor and the Value of Financial Advice. https://cirano.qc.ca/files/publications/2016s-35.pdf [2]

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3. 2012. 3. New Evidence on the Value of Financial Advice. https://www.ific.ca/wp-content/themes/ific-new/util/downloads_new.php?id=1653&lang=en_CA [4]

4. 2019. BlackRock Global Investor Pulse. https://www.blackrock.com/corporate/insights/investor-pulse#take-action [5]

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