

DEVELOPING A FINANCIAL BLUEPRINT

- Allistar Walker

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We live in interesting and possibly untrodden times for most of us. Some of these are likely to affect us financially in some way, at some time. Over recent weeks there has been the uncertainty surrounding the economies of Europe and the USA, the riots in the UK and the Adidas debacle. It sort of makes you think that all those people who are in control of our countries and a particular company, are not as smart as they needed to be when the ball game changes. I guess that gives hope for us in the greater masses of unwashed human-kind, that we are not so bad when we don't balance our cheque book or when we don't discipline our children.

Sir Winston Churchill once said, *'We make a living by what we get, we make a life by what we give.'* So many people lack a Financial or Lifestyle Blueprint and therefore a sense of direction and belonging. The education system pays scant time to this and yet it is central to going forward in a positive and rewarding direction. The important achievements in life are what we accomplish with other people. Those that we love, those that we work and co-operate with, those we compete with and those we learn to co-exist with. What you do today will form the memories of what you mean to others – how do you want to be remembered?

He is some of the process we take clients through to help them formulate their own plan.

Getting Started

Develop your Financial Blueprint by:

1. Creating a dreams list – what do you want out of life? How big can you dream?
2. Identify your current values – who are you really and what do you stand for?
3. Identify and eliminate your destructive values – get rid of the negativity in your life. Think 'How can I?' rather than 'Can I?'
4. Spend most of your time and energy on your most important values.
5. Focus on the result
6. Put your personal goals and your financial goals in writing. You need money to do things, and therefore that is pivotal to what you are able to ultimately achieve.

In looking at finances two things are critical:

- a) What are you spending your money on?
- b) What are you doing to increase your asset base?

Let us look at some ways of cutting the insurance you pay. Incorrect or oversold policies may be good for your insurer but may not help you achieve what you want to do.

Life Insurance

1. Accept as a financial alternative, not a windfall
2. If single and no dependants, don't buy it.
3. Don't buy life insurance on children
4. Insure the income providers
5. Insure a non-working spouse if you have kids
6. Replace life insurance with income insurance as you grow older
7. Buy enough insurance to maintain your lifestyle – no more
8. Don't buy disability premium waiver
9. Don't buy to avoid the threat of becoming uninsurable in the future.
10. Buy from a broker or registered financial adviser who properly goes over your needs. Usually will be cheaper than from the Bank.
11. To avoid probate make proceeds payable to a beneficiary.

These are just some of many do's and don'ts. We have a well developed process (including a full self-help financial blueprint template) to help clients through the process of a Financial Blueprint, bringing into play affordable insurances, robust mortgage and loan structures and what you might need to stash away to keep you going to say 95, often longer these days.

Care has been taken to ensure that any information is accurate. No liability is accepted for its use. Enquiries are welcome. Allistar Walker is a Registered Financial Adviser and Senior Fellow of Financial Services Institute of Australasia. His full disclosure is available free at www.mortgagehelp.co.nz or he can be contacted at 410 6023 and enquiry@mortgagehelp.co.nz.