

# What is Your Greatest Financial Risk? Look in the Mirror.

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Many people find it difficult to navigate the financial risks and uncertainties when it comes to making decisions regarding their financial investments. One must consider complicated tax issues, currency fluctuations, market indexes, interest rates, diversification, timing, information and fraud, to name a few. However, I have noticed over the years, that the biggest threat to investors in reaching their long-term goals is the investor themselves-- and the wealthier the client, the more apt for this to be the case.

There is so much conflicting information out there that it is nearly impossible for a layperson to be able to absorb it all and then produce a plan that is consistent, viable and actionable. Furthermore, wealthier people have much more complex details to be taken into account. Philanthropic and legacy concerns, estates and trusts and often business succession are all additional sources of worry.

Some wealthy clients realize what they are good at and what they enjoy doing and delegate the rest to professionals. However, I have often noticed that many who have garnered considerable wealth got rich by being detailed and micromanaging and these people tend to approach their financial planning in the same fashion. The confidence that helped them overcome obstacles in their professions or businesses can be a real obstacle when comes to their wealth management. These wealthy clients are especially in need of finding a person they can trust to educate them on the basics of all the topics involved in developing their plan because attempting to do it themselves or starting down the wrong path can be a costly, time wasting adventure.

What these wealthy investors need is a guide-- someone who understands where they want to go and how to get there and able to explain why some tempting detours or forks in the road will often delay or even end their journey. These guides can be found in the accounting, legal and investment industry. Finding a successful guide takes due diligence. It is important to find someone they can develop a relationship with. Someone who

listens, and who has experience working with high net worth clients, and who is knowledgeable and able to offer a full menu of financial options in investments, planning and taxes. Canada has a very relaxed regulatory regime on who is able to call themselves financial planners. Sometimes financial planners are only able to offer limited products and services to their clients, which often means forcing a square peg into a round hole while also paying more in fees than should be necessary.

We all have limitations. Most successful people take one or two strengths and are able to turn them into a fulfilling and lucrative career. These same people can also have many foibles and weaknesses which can prevent them from making mistakes that are difficult, if not impossible, to recover from. Getting there is only half the journey. The second half requires help and advice from trusted sources. Maybe it is time to start letting go!

Have a great week!

Wes

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