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THE VALUE OF FINANCIAL ADVICE

We all deal with money and make choices that impact our finances every day. A range of factors influence the financial decisions we make and the types of financial decisions will change over time as our personal circumstances change.

As our life's journey unfolds, we inevitably will seek a better understanding of how we can achieve personal wellbeing and security. Wellbeing and security may come in many forms and here we will explore some of the reasons and benefits of seeking **financial advice**.

The way we manage our money today may not reflect our financial needs in the future and hence improving our financial capability brings significant benefit to a sense of feeling well and secure. Investing in our knowledge and understanding our money behaviours now, makes a positive difference over time.

What is financial advice?

Financial advice is a process that supports an individual's financial decision making. It helps people to better understand their situation, discovering options and making choices when managing the changing circumstances of life. A financial adviser can assist by helping individuals manage money better on a day-by-day basis and in addition, ensure that individuals plan for the future and make informed decisions.

What type of financial advice is available?

In Australia, there are 2 distinct types of advice that a person can ask for. They are:

- General Advice
- Personal Advice

General Advice is information or facts about a financial product that does not take into account the personal circumstances of an individual. Some super funds can offer this type of advice.

Personal Advice is a comprehensive process that involves an individual's personal circumstances. The advice is aimed at guiding and recommending a path the individual may wish to take in achieving their financial goals and objectives.

The advice may cover topics such as budgeting, savings, debt reduction, superannuation, investment planning, personal insurance cover and retirement planning. The advice is then provided in a document called a Statement of Advice, (SOA). The advice is provided by financial advisers for an agreed fee.

Why seek financial advice?

Research has shown that over 65% of adults surveyed do not feel financially secure and 60% of us are at least somewhat stressed by our financial situation *Ref: Healthy, Wealthy & Work-Wise - Mercer Global Report, 2018.*

Imbalances between the need to save and our ability to do so affects us all, regardless of our income. Life's daily living expenses often gets in the way of disciplined savings and the temptation to *'buy now pay later'* is a real temptation in today's society.

People in their 20's or 30's often struggle to understand the basic concepts around debt management and saving for specific goals. As an example, the ability to afford to buy their own home or even their first car will at times appear daunting or even a distant dream.

Personal stress as a by-product of financial insecurity affects us all. Coupled with over 2 years of the COVID pandemic and the rising cost of living, people may feel unsettled and uneasy. Building upon your personal knowledge and understanding of all things financial, is important to your future wellbeing.

To live well later we all need to act now. The sooner the better.

Hear what people have to say about the benefits of advice

It's always uplifting to hear real life stories and experiences. In a world that seeks to promote sensationalism or the negatives where the positives are often drown out. Here are comments from people who have sought and obtained financial advice.

1. *"Having inherited a large portfolio, I would not cope without my financial adviser. His advice and guidance in establishing and maintaining a good financial strategy to meet my future needs is a must for me. I would be stressed to the max if I did not have a financial adviser who I can rely on and trust." -* ***Female, TAS***

2. *"If I didn't go to a financial adviser years ago, I would have just stuck my money in a bank account earning high interest. I would not have understood all the tax implications involved in doing this so I'm really glad I sought professional advice. I highly value the work that my financial adviser does for me now and would be lost without him."* ***Female, QLD***

3. *"I feel more secure in these very troubled times."* ***Male, Vic***

4. *"Our financial adviser has his finger on the pulse. He knows what's going on in the market and his advice means we don't have to do that work ourselves. His experience is valuable, and we trust him because he understands our life goals."* ***Female, VIC***

5. *"It was so good to have someone listen to both of us and work out how we could achieve our financial and personal goals in our circumstances. I don't have to worry about money anymore. "****Female, WA***

6. *"The greatest benefit for us has been watching our considerable investment grow dramatically over the past ten years, which has allowed us to secure the ultimate sea*

change, living completely debt free and financially secure for good. The icing on the cake is knowing we leave our children a decent inheritance, something that we never had the benefit of ourselves."
Female, NSW

7. *"Finance is not my area of expertise, so I rely on my financial adviser for expert advice and guidance."* ***Female, WA***

Ref: Comments sourced from The True Value of Advice - IOOF Report, 2020

Where can you get financial advice?

Seeking financial advice can be confusing but it need not be. The first thing you need to do is to start.
Finding a trusted financial adviser who can accompany you on life's journey is like finding a personal partner. Working with a knowledgeable financial adviser who takes a genuine interest in helping you improve your financial situation can make a world of difference to the life you create in the long run.

When starting, the first port of call may be your Employer. Some employers offer *Employee Wellness Programs* that allow you to access financial education and advice. The service may be offered through a corporate partnership with a proven financial advisory firm, or it may be available through your super fund. So don't hesitate to ask your employer or your super fund for help.

There are many on-line resources that are available to you. Resources filled with financial education, tools and calculators designed to guide you along the path of financial literacy. A good example of this is the Australian Securities Investment Commission (ASIC) website called Moneysmart. Here you will find resourceful information to get you started. See link below:

https://moneysmart.gov.au/

So where to now?

Here are a few questions that may guide you in taking the next steps to financial wellness

- Where am I in life's journey?
- Am I on track to achieve a deposit on my first home?
- How can I save more and spend less?
- What do I need to know and do now, to secure a comfortable lifestyle in retirement?
- How can I reduce my debts such as credit cards and personal loans?
- Who can help me to set clear financial goals and map out my financial journey?
- How can I protect my income in the event I suffer a significant illness or disability?
- How can I protect my loved ones if I die?
- How can I start saving tax effectively?
- How can I make my super grow larger and faster?
- Should I and can I invest in Shares?

- Should I and can I invest in Property?
- I plan to retire earlier than most people, how can I get there sooner?
- Can I live comfortably in my retirement years?

What does advice mean to you?

Financial advice goes beyond just juggling your finances. It helps us to uncover and define the knowns and unknowns and to define the things that are important to you.

Many of us are reluctant and place our financial journey on hold to the detriment of our overall wellbeing. Building self-awareness, feeling more in control, gaining confidence, setting goals and achieving them to attain peace of mind are all part of the journey of being healthy, wealthy and wise. That's what professional financial advice can bring to our lives.

Advice used well, can help you to integrate your priorities into your life plan.

This fact sheet provides an overview of financial advice, what it involves and what type of advice is available.

If you would like a PictureWealth adviser to assist you in any way, do not hesitate to contact us on 1800WELFIE (1800 935 343) or by email at Financialwellness@picturewealth.com

References & Resources:
 # Global Report – Healthy, Wealthy and Work Wise - Mercer
 # The True value of Advice – IOOF
 # Australian Securities Investment Commission (ASIC) - Moneysmart

Important Information

Any general advice in this information flyer does not take account of your personal objectives, financial situation and needs. You should consider the appropriateness of the advice in light of your own objectives, financial situation and needs before acting on the advice. You should also read the relevant Product Disclosure Statement and TMD before acquiring any product.