

ONE-TO-ONE INSIGHTS

COUNTDOWN'S ON TO FINANCIAL RESOLUTIONS

December 2021



If you think making New Year's resolutions is a modern-day obsession, think again. The Babylonians were the first to make New Year's resolutions over 4,000 years ago, reportedly making promises to the gods. They often resolved to get out of debt in return for good favours in the year to come.¹ It's no wonder financial resolutions are still popular today!

As we turn the calendar to a new year, consider these 'to do's' to keep you on track to achieving your wealth ambitions and helping others to do so.

Why planning's important—especially now

The importance of having a financial strategy has become more apparent and immediate as a result of the pandemic. Many Canadians have felt the pressure of reduced cash flow and the stress of covering expenses.

"Organizing your finances helps you take control of your income, expenses and investments so you can achieve both your short- and long-term goals," advises Lana Robinson, Executive Director, Wealth Strategies, CIBC Private Wealth. "No matter what your income level, mapping out finances is for everyone. Having wealth today doesn't always guarantee you'll have enough money in the future." When you focus on your financial wellbeing, you need to manage the increasing cost of living and other more immediate expenses. It's also important to consider how much you should be saving for long-term goals such as retirement and leaving a legacy for the next generation.

¹<https://www.history.com/news/the-history-of-new-years-resolutions>

Don't forget that estate planning is a critical component of your overall financial health. An estate plan may reduce your estate taxes and expenses, simplify your legacy plans, and help protect your beneficiaries. When you have a will, power of attorney, insurance and final arrangement details in place, you make it easier to pass on your wealth to your loved ones when the time comes.

Set emotions aside when it comes to investing

As a seasoned investor, you're aware that there are no certainties when it comes to financial markets. If you let your emotions get in the way, you can make rash decisions, such as selling long-term investments simply because they experience a temporary decline. That's why it's important to stay focused on your overall long-term portfolio strategy, rather than short-term market fluctuations.

Sensational news headlines about volatility in the stock market may evoke fear and cause you to react too quickly. Rather than reacting to news headlines, contact with us first to discuss your expectations and how to move forward. Remember, the media is just one point of information.

Share your financial knowledge and your mistakes

Be a resource to your loved ones—especially to young adults who are just starting out on their savings journey.

There may never be an ideal time to impart wisdom. Whenever you feel your audience is receptive, share some insights about your wealth journey. You may want to balance the information with any hard lessons you've learned along the way. For instance, you may have jumped into an investment without considering how long you'd need to hold it before earning any returns. Tell them that's how you first learned the importance of determining your time horizon and risk tolerance. And don't forget to ask them for their advice and their stories.

Inspire your mental wellbeing

There's no shortage of advice on how to improve our mental health and wellbeing. Here are a few suggestions from the Canadian Mental Health Association that you may want to incorporate into your overall resolutions for 2022:

- **Practice healthy thinking**—Look at a situation or problem in a balanced way to gain greater clarity. Consider all relevant factors to gain greater perspective before forming a judgement or making a decision.
- **Find your purpose**—Connect to something bigger than you, like a cause or a charity that's close to your heart. It helps give perspective and meaning to life and connects you with like-minded people.
- **Build a healthy support network**—Nurture relationships with family and friends; they can help through tough times, boost your self-confidence, and share advice. You can do the same for them.

We're always happy to connect with you or your loved ones about how we can help you achieve your ambitions. Reach out to us anytime. Have a safe and wonderful holiday season and a happy New Year!

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