

# *7 Steps To Wealth Creation and Protection*

The *7 Steps* is a program that was developed to address all aspects of managing one's financial affairs, not just investments. Each of *7 Steps* are necessary to achieve 100% control over one's financial life. Clients look to me as the resource to explain the details of each of the steps, to help prioritize which to execute first, second, third, etc., and to help them stay on track.

The *7 Steps To Wealth Creation and Protection* are:

- 1. Cash Flow and Savings Planning** – You've got to have positive cash flow to create wealth. For those who really want to get into the detail, I've developed budgeting software to let you enter all your monthly expenses and analyze where your money's going, so we can determine how to prioritize and create a savings plan to fund your dreams.
- 2. Catastrophic Risk Protection** – Nothing will derail efforts to create wealth faster than premature death or disability of one or both of the family's breadwinners. Strategies to control all or a portion of this risk are relatively straightforward, but selecting and implementing the strategy is an "important but not urgent" task that many never get to.
- 3. Tax Minimization** – Clients often get excited about investment returns of 10% to 15%, but have never had anyone present strategies that will return 22.1%, 31.2%, 43.4% or 46.4% (Ontario's marginal tax rates at the most common taxable income ranges), without a single new dollar being invested. Taxes are the single largest expense of most Canadian families, ahead of the mortgage, food or any other category. I also provide referrals to competent tax preparers to suit the complexity of your situation and your budget.
- 4. Retirement Planning** – I have my clients describe their ideal retirement, and then we put a monthly price tag on it. Then, using a sophisticated software program, we enter current assets, expected rates of return, additional planned savings, projected retirement age, life expectancy, etc. and we answer the question "Will I have enough?". In future years, we update this retirement plan as new data is received.
- 5. Education Funding** – Among my clients, the current average cost to send a child to university is \$15,500 a year. That's \$62,000 to obtain a four year degree. Worse yet, with pressures on government budgets, we expect education costs to rise faster than inflation. This requires serious planning and an early start.
- 6. Estate Planning** – Includes everything from what to put into your Will(s), to Powers of Attorney, to appropriate use of joint ownership and insurance strategies to offset tax liabilities and to avoid probate. I also provide referrals to lawyers who are estate specialists and know the intricacies of Henson trusts for disabled children, and other specialized estate matters.
- 7. Investment Planning** – One of the easier pieces of the plan, but the one that seems to get all of the attention. The underpinnings to success are three important numbers, two irrefutable truths and one strategic asset allocation service. My role is to monitor, to be there when the inevitable turbulent times show up, and show clients how to earn additional basis points of return without adding risk.

The 7 Steps are steps that everyone should take – over and over again throughout their lives. My observation is that few Canadians are even aware of them, and fewer still have a professional coach to help every step of the way. My role is to act as educator to bring the message to those clients who want to have 100% control over their financial lives and act as that professional coach to ensure all 7 Steps get done and wealth creation and protection becomes a reality.