Financial Future Worries?

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If you are concerned about your future finances, you are certainly not alone as noted in a global survey of 19,000 adult in over 19 countries (including Canada).

Nearly 68% (or two thirds) of the 1000 Canadians interviewed in the survey conducted by the Financial Planning Standards Council (FPSC) said they still had concerns about their personal finances. For those in mid-life, anxiety caused by an unknown financial future is greater with a reported 79% worried, which shows it is not wise to procrastinate in your early life.

The aforementioned survey was organized by the international arm of the FPSC, the Financial Planning Standards Board, and is featured in the Financial Planning Week, an annual event that has been running for the past 7 years. The warnings, however, still haven't been fully taken to heart. Almost 70% of those surveyed admitted that they did not have an in-depth financial plan to manage their future.

Even though financial guidance has been provided via books, over the airwaves, on the web, and in print, the general masses do not seem to be taking the information seriously. The survey indicates that 18% of Canadians believe they have the ability to manage their finances, 79% are highly confident of achieving their financial goals, and 1 in 5 said they have the resolve to stick with a practical financial strategy in the future.

Other aspects of the survey show that 28% of women are invested in their financial future enough to have set up a financial plan, but for men the number is higher at 36% who have set up a plan. This may indicate why 73% of women are anxious about the future, while this figure falls to 63% for men. But, with the life expectancy for women slightly longer than men, there is concern that fewer women are putting in place a proper financial plan to match the needs of later life.

A further issue noticed in the survey is the difference across generations. The largest age-group to have a financial plan in place is the younger generation at 37%, while this is notably smaller for the over 50's at 27%. A potential reason for this difference is the increased likelihood of the older generation having access to a work-based Defined Benefit pension, and therefore will remain with a particular employer until able to benefit from this payout.

On the other hand, workers in the younger age category are more inclined to change jobs and rely on a Defined Contribution plan, which puts a lot more responsibility on the shoulders of the worker to make sure their finances are secure for the future.

CEO Cary List, who is the FPSC president, stated that financial responsibilities and stressful choices are a "basic part of life for Canadian workers". According to the study, nearly 94% said the major priority was putting in place an emergency fund, while this was closely followed by being free of credit card debt (93%), and being free on line of credit debt (92%). Surprisingly, these financial concerns were well ahead of other priorities like leaving an inheritance, education savings, and home ownership.

To help solve many of these concerns, the majority of Canadians could benefit from the services of an established financial professional [1].

Do you have questions about your financial strategy?

Contact our office today ! **[1]**

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