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## The Question That Is Rarely Asked

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After speaking with many clients and potential clients over the years, a pattern emerges in the direction that the interview takes. There is often a sense of give and take with the client wanting to get certain questions answered in their mind, giving out small bits of information, but withholding the rest as if to keep control of the situation. Perhaps there is a sense that full and complete disclosure can be used against them since information is often thought of as power.

Alternatively, the client may realize that they need assistance in meeting their goals but do not want to truly admit it, or more importantly, do not want to make any changes to their financial habits, hoping that the financial advisor can figure out a way to help them get what they want without having to make any sacrifices in terms of cutting their spending or changing their current lifestyle.

Basically, the question that is rarely asked by clients is: "What do I need to do to be financially healthy, stable and successful in terms of meeting my goals in life?" In other words, what are the basic things that any successful member of our society needs to do to master the financial aspect of living?

There have been many books written on this subject, but the basics rarely change and are often resisted when brought up by an advisor.

**The most basic rule is live on less than you make!** The easiest way to become reasonably wealthy is to first save your way to financial success. There is no magic bullet, or shortcut. Once you have achieved a certain level of savings or assets, then managing and growing your money becomes more important than the savings habit.

Case in point, if you save \$2,500 per year, this increases your assets a lot if added to \$5,000 in savings, but does not increase them much if you have \$250,000 in savings. As a rule of thumb, once your savings are equal to three times your annual income, then investment returns become more important than the rate of savings as a percentage of your income (but keep living on less than you make!).

Often clients think they can pick and choose what they can do. For example, they agree to save for an emergency and for a house, or RRSPs (retirement) but decide that they do not want to allocate cash flow to a solid risk management program. One client said he did not see what the return was for the money he was spending on his term life and critical illness programs. Then why did he spend money on car insurance and professional liability insurance and fire insurance for his office?

In short, saving money, allocating your cash flow properly and exercising diligence are the very basics that need to be put into place in order to get to the financial stability you want in life.

[Call our office today](#) [1] for a full review of your financial affairs. Once everything is in order, you can focus on the more exciting things in life!

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## Do you have questions about your finances?

[Contact our office today!](#) [1]

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