



Financial planning module

Trainer's introduction

Financial planning covers a broad range of topics, and in the best cases brings them together in an orderly, integrated way. However, because it requires information and understanding about many complex topics, many people feel overwhelmed and tackle only small aspects of financial planning. This module helps make financial planning manageable by organizing a plan with a step-by-step template, and drawing on participants' learning from other modules of the Financial Toolkit.

Mini-module 1 provides a basic overview of how financial planning can help participants and what it involves. Mini-module 2 uses a sample financial plan for a typical family to illustrate how a plan works, and then provides a blank template for participants to complete their own plan. Mini-module 3 describes how to work with financial professionals who can help create and carry out a financial plan. Mini-module 4 covers the basic concepts of estate planning.

Learning objectives

After covering the topics in the module and this workshop, learners will be able to:

- State some benefits to developing a financial plan
- Identify the main elements in a financial plan
- Use a template to develop a personal financial plan
- Determine when they need advice from a financial professional
- Describe how to find and choose a financial professional that meets their financial planning needs
- Assess how well a financial professional is meeting their needs
- State some benefits of estate planning
- Describe the main elements of planning for a simple estate
- Describe how to provide for a living will and power of attorney



Materials/equipment required

- Copies of selected mini-modules or activities for participants
- PowerPoint file: Financial plan
- PowerPoint projector and screen
- Internet connection (if using)

Time required

	To do all the activities in this module would require approximately:	To complete the module in one hour, focus on:
Introduction	<ul style="list-style-type: none"> • 10 minutes 	<ul style="list-style-type: none"> • Activity 1
1: Why you need financial planning?	<ul style="list-style-type: none"> • 25 minutes 	
2: My financial plan	<ul style="list-style-type: none"> • 60 minutes 	<ul style="list-style-type: none"> • Slides 11 to 13 • Activity 4 (A sample financial plan) • Activity 5 (My financial plan)
3: Financial professionals	<ul style="list-style-type: none"> • 45 minutes 	<ul style="list-style-type: none"> • Activity 9 (VIDEO: Choosing a financial professional)
4: Estate planning	<ul style="list-style-type: none"> • 40 minutes 	<ul style="list-style-type: none"> • Slides 27 to 29 • Activity 11 (Estate planning checklist)
Action plan	<ul style="list-style-type: none"> • 5 minutes to get started 	<ul style="list-style-type: none"> • Activity 13 (Action plan)

Suggested activities and PowerPoints

Use the slides and the online modules. The text provides additional information, items that are not easily represented in a slide, worksheets and other references.

Select the slides you will need for your presentation. *You will not need all the slides if you don't plan to cover all the topics.*



Introduction

Customize the agenda as needed. Introduce the workshop topic and outline the contents.

Slide 1: Financial plan title page

Financial Plan

Slide 2: Agenda

Agenda

Start time: _____

Break time: _____ (10 minutes)

End time: _____

Please set phones to silent ring and answer outside of the room

Activity Icebreaker: Planning through your life

Have participants form groups of four, and have each participant read one of the four case studies in the Planning through your life section of the Why you need financial planning? mini-module.

Have participants describe the case study to the others in the group and explain how financial planning helped the character in the case study.

Extend the discussion by asking questions such as the following:

- How are the case studies similar to the situation of people you know who could benefit, or have benefitted, from a financial plan?
- How could financial planning help you better manage your money?
- If there's one thing you want to learn in this session, what would it be?
- What's the most important thing to know about financial planning as you manage your personal finances?
- If there's one thing you could already tell your best friend about financial planning, what would it be?

Conclude the activity by summarizing some things people already know. Explain that the session is going to build on what people know to help participants plan their finances more effectively.



Slide 3: Financial planning

This module covers:

- How to define your personal financial goals
- The steps in creating a plan to achieve your goals
- When a financial professional can help you
- The role of estate planning in your financial plan

Mini-module 1: Why you need financial planning?

Slide 4: Title slide: Why you need financial planning?

Why you need financial planning?

Overview

Slide 5: Why you need financial planning?

This section covers:

- Different goals that you may have at different times in your life
- The benefits of planning to achieve your goals

Activity Planning through your life

If you skipped the Icebreaker activity on the Planning through your life case studies, do the activity now.

Slide 6: Planning through your life

- A financial plan helps to:
 - Keep your finances under control
 - Manage a limited budget
 - Set a timeline and monitor progress
 - Identify problems and solutions
 - Achieve your goals
- Professional advice can help you plan and save money



Slide 7: Three questions

- A financial plan finds the answers to three questions:
 - Where am I now?
 - Where do I want to go?
 - How do I get from here to there?
- Plan for your own needs
 - Your partner may have different goals and needs
 - Consider partner and family as you plan

Slide 8: SMART goals

- Set goals that are SMART:
 - **S**pecific
 - **M**easurable
 - **A**chievable
 - **R**ealistic
 - **T**ime-framed
- E.g.: I'm going to save \$2,500 for a trip to New York by March 31 next year by setting aside \$250 a month until then

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 9: Summary of key messages

- Financial planning is based on answering three key questions:
 - Where am I now?
 - Where do I want to go?
 - How do I get from here to there?
- Write out SMART goals and estimate what they will cost



Mini-module 2: My financial plan

Slide 10: Title slide: My financial plan

My financial plan

Overview

Slide 11: My financial plan

This section covers:

- What information you need to build a financial plan
- What a detailed personal financial plan looks like
- Steps to create your own financial plan

Slide 12: What information do I need for a financial plan?

- What you own (your assets)
- What you owe (your debts or liabilities)
- What you make (your income)
- What you spend (your expenses)
- Other topics if relevant, such as wills, income taxes and insurance

Slide 13: What does a financial plan look like?

- Format varies, but usually includes:
 - Your goals
 - Your net worth
 - Your current income and expenses
 - Costs and timelines for your goals
 - Financial steps needed to achieve your goals




Making a plan

Slide 14: A sample financial plan

Step 1
Step 2
Step 3
Step 4
Step 5

STEP 1 - PERSONAL DATA



It's helpful to have your personal data available and written out if you'll be talking to a financial professional about your plans.

This plan uses sample data for Carmen, who works as a marketing agent for a large company, and her partner Justin, who works as a plumber for a small local company. They have two children, aged 3 and 6. You'll see the details of their lives as you review the plan.

Step 1—Personal data			
Date of this plan :	<input type="text"/>	Review plan on:	<input type="text"/>
NAME:	<input type="text" value="Carmen Lee"/>		
ADDRESS:	<input type="text" value="1234 North Road, Maple Grove"/>		
PHONE:	<input type="text" value="555-121-2121"/>		
BUS. PHONE:	<input type="text" value="555-323-2323"/>		
FAX:	<input type="text"/>		
E-MAIL:	<input type="text" value="carmenlee@home.ca"/>		
BIRTH DATE:	<input type="text" value="January 31, 1990"/>		

Activity A sample financial plan

Click the link on the image in the slide to review the main points of the sample financial plan for Carmen and Justin from the Your Financial Toolkit website. Have participants follow in the My financial plan mini-module.

Prompt discussion by asking questions such as the following:

- What can Carmen and Justin learn from their financial plan?
 - **Answer:** They can get a good summary of their financial position, and see how to manage their finances to better achieve their goals. Specifically, in the sample plan they learned that they have a little more money available to spend on their goals, but they may have to adjust their retirement plans or allocate more money to paying for it.
- Is there any part of the financial plan that you think you could not do with a little preparation?
 - **Answer:** The plan may look complicated, but each step of the plan is fairly simple to think through, and just needs you to review your personal finances and enter the right information.



Slide 15: My financial plan

My financial plan

Step 1
Step 2
Step 3
Step 4
Step 5

Step 1 - Personal data

It's helpful to have your personal data available and written out if you'll be talking to a financial professional about your plans.

Date of this plan:	<input type="text" value="yyyy-mm-dd"/>		Review plan on:	<input type="text" value="yyyy-mm-dd"/>
Name:	<input type="text"/>			
Address:	<input type="text"/>			
Phone:	<input type="text"/>			
Business phone:	<input type="text"/>			
Fax:	<input type="text"/>			
Email:	<input type="text"/>			
Birth date:	<input type="text" value="yyyy-mm-dd"/>			
Social insurance	<input type="text"/>			

Activity My financial plan

Have participants begin to work through the blank financial plan in the My financial plan mini-module to create their own personal plan. They can use any financial information they have with them or use estimates and update them later.

Explain that participants will not have time to complete the entire plan, but they can use the My Financial Toolkit website to continue after the session. The website includes:

- The sample plan and other information
- Online financial plan forms they can fill out and print (but not save)
- Downloadable forms they can save, add to and modify in the future

After participants have had time to begin work on their financial plan, prompt discussion by asking questions such as the following:

- Is there any part of the financial plan that you think you will have trouble completing?
 - **Answer:** Participants can go to the My Financial Toolkit website for more information about any part of the plan.
- How does a format like this help you deal with a complex financial situation? How could you make it work better?
- What can you do if you find you need detailed expert advice about any part of your plan?



- **Answer:** Financial professionals can help with more advanced aspects of financial planning. Ensure that any professionals you talk to are trained and licensed in the area you need help with.

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 16: Summary of key messages

- A financial plan starts with accurate information about:
 - What you own and what you owe
 - What you make and what you spend
 - Insurance
 - Income taxes
 - Estate planning
- A planning tool makes it easier to develop your plan
- You have to monitor and update a financial plan regularly

Mini-module 3: Financial professionals

Slide 17: Title slide: Financial professionals

Financial professionals

Overview

Slide 18: Financial professionals

This section covers:

- What a financial professional does



- The different types of financial professionals
- How to choose a financial professional
- How to work with and assess your financial professional

Activity Professional advice

Refer participants to the Professional advice quiz in the Financial Professionals mini-module and have them complete it.

Prompt discussion by asking questions such as the following:

- Was anyone able to answer Yes to all the questions?
 - **Answer:** Few people are knowledgeable about all areas of money management. Most need to know how to get reliable advice at a fair cost. Even financial professionals are not experts in all areas, but they know when to contact other experts for detailed advice.
- How can you get financial advice when you are concerned about the cost?
 - **Answer:** Some simple kinds of financial advice are free or are included in the cost of financial products, where the planner just helps you pick a product, often on commission. In some cases, it is worth spending some money for professional advice to make the best choices without stress and to avoid costly mistakes.
- What kinds of financial advice should you look for first?
 - **Answer:** The financial professional you need depends on your financial circumstances and priorities. Some people need advice on basics before they are ready to look at planning for more complex and long-term needs. You don't need to be rich to hire a financial planner.

Activity What kind of financial help do I need?

Refer participants to the worksheet, What kind of financial help do I need?, in the Financial professionals mini-module and have them complete it.

Prompt discussion by asking questions such as the following:

- Does the worksheet give you a clearer idea of what kind of financial professional you need?
- What financial professionals do people deal with commonly?
 - **Answer:** Most people get some basic financial advice from account representatives at a financial institution; insurance sellers; pension representatives and investment advisors. These advisors usually have some training in their field, but cannot give broader advice about your financial needs.



Activity VIDEO: Choosing a Financial Planner

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- Can anyone describe a time when they were able to work constructively with a financial professional, and what made it a positive experience?
 - **Answer:** A trusting, comfortable relationship that promotes good communication is essential for a constructive experience. This can involve elements of strategic organization, business or personal expertise and long-term support.
- How do people find a financial professional?
 - **Answer:** Often they talk to family members and friends. But a financial professional who is good for one person may not be the best for another. Always interview a financial professional before discussing serious financial issues.

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?

**Slide 19: How do I find the right financial professional?**

- Ask for referrals
- Check other sources (industry groups, regulators, directories)
- Pre-screen the financial professional
- Do an in-person interview
- Check referrals

Working with your financial professional**Slide 20: What can I expect?**

You can expect a financial professional to:

- Learn about you and your financial situation
- Make personalized recommendations
- Fully disclose all risks and conflicts of interest
- Carry out your requests promptly
- Behave ethically and honestly
- Clearly disclose the method of compensation

Slide 21: What is my role?

You should:

- Understand your own your goals and wishes
- Have clear but realistic expectations
- Inform your financial professional accurately of:
 - Your personal financial situation
 - Any changes to your situation
- Take notes when you talk to a financial professional

Slide 22: Assessing your financial professional

- Use a checklist to review your financial professional
 - State of your finances
 - Cost of services
 - Communications, goals, expectations
 - Choice of products, including low-cost options
 - Need for frequent changes



- Switch advisors if necessary
 - Review the costs of switching
 - Aim for a long-term relationship

Tip:

Point out the Assessing your financial professionals checklist in the Financial professionals mini-module.

Slide 23: Summary of key messages

- Professional advice can help you manage your finances
- It's most important for complex and technical decisions
- There are many kinds of financial professionals
 - Fees and other costs affect your overall return
 - Costs may be direct or included in other costs
- Manage your relationship by:
 - Selecting appropriate financial professionals
 - Working with them to find the best products and services for your needs
 - Assessing them regularly

Mini-module 4: Estate planning**Slide 24: Title slide: Estate planning**

Estate planning

Overview**Slide 25: Estate planning**

This section covers:

- Simple low-cost steps to reduce costs and taxes following your death
- When you need to get advice for more complex issues
- The benefits of wills, powers of attorney and living wills

**Slide 26: If you don't plan**

- You lose control
- Less money may go to your loved ones
- It may take longer to settle your estate
- Your wishes may be ignored
- A family conflict could begin

Slide 27: Simple estates

If appropriate:

- Leave a will and name beneficiaries
- Plan and prepay your funeral
- Buy life insurance to cover expenses and needs of dependents
- Transfer minor gifts before death
- Arrange RRSPs and RRIFs

Slide 28: Complex estates

- Same tools as simple estates
- Also consider:
 - Transfer of assets before death
 - Joint ownership before death
 - Trust funds
- Get expert advice

Slide 29: When you can't act for yourself

- Get legal advice about living will and power of attorney
- Options to consider:
 - Give limited authority to manage property while out of touch
 - Name a legal representative to act if you cannot
 - Name a family member to make medical and care decisions



Activity Estate planning case studies

Divide participants into pairs and have one member of each pair read one of the two Estate planning case studies in the Estate planning mini-module.

Have each member of the pair describe the case study to his or her partner, and how the characters in the study were able to arrange their estate to help their families. Have some participants describe the studies to the class and compare their summary with that of other participants.

Prompt discussion by asking questions such as the following:

- What keeps some people from planning their estates?
 - **Answer:** The cost of legal advice, not wanting to discuss death, not knowing answers to questions such as guardianship, etc.
- How does estate planning help younger families?
 - **Answer:** It lets them plan how to use their assets to protect their families in case of emergencies, and start working toward long-term goals.
- How does estate planning help older families?
 - **Answer:** It lets them arrange their affairs to ensure their wishes are carried out as they intended, and to minimize costs and inconvenience.
- What's the role of professional advisors in both case studies?
 - **Answer:** Financial professionals can tell the characters what options they have and help them arrange their affairs efficiently. Lawyers, and notaries in Quebec, can give specific legal recommendations and draw up the necessary documents.

Activity Estate planning checklist

Refer participants to the Estate planning checklist in the Estate planning mini-module and have them complete it.

Prompt discussion by asking questions such as the following:

- Does anyone feel fully prepared in all the areas listed?
 - **Answer:** Few people are fully prepared until they have had time to review their goals in various areas and then decide on a plan of action.
- When you have a suitable response in each area, what's the next step?
 - **Answer:** Review them periodically to be sure they remain suitable for your changing situation.

**Activity Summary of key messages**

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 30: Summary of key messages

- Estate planning is a key step in managing your money
- The right strategies can reduce costs and taxes
- Get professional advice

Financial planning Action plan**Activity Financial planning Action plan**

Point out the different sections of the Financial planning Action plan and the Five steps to success, and have participants briefly review the items in the checklists. Encourage participants to work through the Action Plan after the session.

Prompt discussion with questions such as the following:

- What's the first step you need to do to better organize your financial plans?
- What items on the checklist need the most work?
- What makes some items on the checklist harder to do than others?
- What other types of financial planning issues do you need more information about?