



Portfolio Confidential

Barbara Stewart

Do you have questions about your own investment portfolio? I have recently set up The Rich Thinking® Financial Advice Hotline. This will be a win/win: you get a free 30-minute confidential Zoom chat offering an independent, unbiased perspective on your financial situation with no sales pitch! In exchange, I get to use the anonymized data that will come from these conversations to make my Rich Thinking research even better. Email me to book your Zoom discussion: barbara@barbarastewart.ca

I'm 26 and a working professional living at home with my mom. Since the start of COVID-19, I have become very intentional with my finances: saving and investing in the stock market.

Living at home has helped me save a lot, but I plan on moving out by the end of 2022 and will rent in Toronto. My goal is to be financially independent by around 35-40 years old.

The way I define financial independence isn't retirement because I still plan to work, but under my own discretion where I choose to work versus having to work out of necessity.

I have several questions for you!

Question One: How do you see the financial industry transforming in the future? The reason I ask is that I believe that financial planning is an essential service that is underappreciated. I hope to become a financial advisor—do you have any advice for me?

The future will probably consist of more and more investment products that confuse and try to get fees out of clients! Until we get a properly regulated industry, we will need to be in “buyer beware” mode, and marketers will take advantage of the situation.

Having said this, trusted advisors will always be in demand. How can you set yourself up for success in building trust? My best advice is to get the highest standard of qualification: the Chartered Financial Analyst

(CFA) designation, so that you will have maximum credibility. (The Canadian Securities Course (CSC) is a good introductory option, but almost all financial advisors go beyond that course.) Assuming this level of professional competence, relationships will always be the winning factor. Make yourself a brand that can be trusted: blog and speak about what matters to you and why you chose a career in the industry.

There are some common-sense ways to stand out as a financial advisor. Here are my top five proven tips:

1. Communicate on your client's terms, not yours. What are their communication preferences?
2. Show up in person. A lot. Trust is cultivated through a powerful combination of eye contact, body language, and a general “feeling” about a person.
3. Connect your clients with the contacts and networks they need. When this happens, you become a trusted advisor in the broader life sense.
4. Offer the same level of service to all clients regardless of the size of their net worth. Smaller clients will appreciate your attention and they will possibly refer you to larger clients.
5. Provide customized financial education.

Lastly, make sure you offer “Value over Robot”. Every time you answer a client's question, think about how your advice adds value. Give them something that is thoughtful and thorough; a deeper reply than if they had asked a robot!

Question Two: What are your thoughts on individuals that participate in geographic arbitrage?

For those readers who haven't yet heard of this term: "Geographic arbitrage is a term coined by the FIRE movement (Financial Independence, Retire Early). FIRE advocates combine investments and a typically high-paying job to achieve the dream of retiring by the time they hit their early 40s or even late 30s. One of their core tactics is to take advantage of local costs of living around the country and even the world to maintain the lowest cost of living possible, thereby stretching out their money and making early retirement possible."

I am sure there are many people who practice geographic arbitrage, and it works well for them, but as much as we can plan to live a certain way, things have a way of popping up to disturb those plans from time to time. For example, falling in love with someone who might not be so like-minded re: FIRE. I think FIRE would be very tough on any relationship unless both partners accept the idea.

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