

Financial planning in a post-pandemic world

8th July 2021

We have always been advocates of Financial Planning. In our eyes, unless you have a financial plan; for retirement, for saving, for long-term investment, for buying your home, for estate planning; then you cannot realistically expect to achieve your financial objectives.

We have just lived through the most turbulent, changeable year in any of our lifetimes and some may ask what's the point of financial planning? In fact, you could even ask what's the point of any planning?

At first glance, it's a valid point. On March 23rd last year the UK – like so many countries around the world – went into lockdown. Further lockdowns followed. Tens of thousands of people lost their jobs. Businesses which had taken years to build were wiped out overnight. Stock markets around the world experienced tumultuous times.

Yet, fifteen months later a vaccine programme is being rapidly rolled out. The economy is rebounding. Many of the world's leading stock markets actually gained ground in 2020. All the world's leading markets – with the exception of China, which fell 1% – made gains in the first quarter of this year.

If the last fifteen months have taught us anything, it is that what we previously thought couldn't happen can happen – and in many cases happen very quickly – so we need a plan, we need savings: we need a buffer. It has also reminded us that saving and investing is a long-term commitment, and that there will always be short term fluctuations. We have been reminded how important regular contact between a financial adviser and a client is. Plenty of our clients have needed reassurance over the last fifteen months: plenty have had questions that needed answering. We have been happy to do both.

It is also interesting to consider whether things have really changed that much. Are things different or are we just doing the same things differently? For example, for those people who have maintained employment, the work they do is broadly as it always was, it may just be the environment that is different. They now work from home, they now wear a mask at work, but overall, their work is still the same. For the retired, they have still been spending time with their family, this just happens to be in a different format, be it by video conference or telephone. Whilst we must acknowledge that for many people, things changed enormously with the loss of loved ones, many of us have continued what we always do and have just changed how we do it.

The last fifteen months have certainly forced us all to change our plans. But that is not a bad thing. Plans have to be flexible; they have to cope with change. How often has a diversion sign on a journey actually taken us past a lovely gastro pub that we didn't know about before? Whilst the initial change seemed to be a problem, it can often generate an opportunity that we hadn't considered before.

What we hope to do is to encourage people to look forward to how it will be rather than them hoping that it will go back to what it was. Let's face it, the quickest way to become an old dog is to stop learning new tricks.

For example, for so many of us, holidays (certainly foreign holidays) have been missed, but this may be a good time to consider something different for when they return. Why does it have to be two weeks in the sun because it's always been two weeks in the sun? Why not take the end of Lockdown as the start of some new plans. You could take control of your newfound IT skills and google 'different holidays'. This may encourage you to plan a 2022 trip to South Africa or perhaps its February in the Alps learning to ski. Why not look at some new pastimes? You could find out about that art class you have always considered, perhaps learn to dance or take up golf or tennis.

We have to acknowledge that this is going to be a new world, so this feels like the perfect moment to take control of your money and see what it can do for you. Don't just wonder whether you could, find out how you can. Be intentional with your plans, make things happen. This is where we can help. At the next review (or even before then if you wish), why not tell us what your plans are and then we can help you achieve them, by making sure your assets can drive your ambitions. Come and tell us about your new kitchen plans, holiday plans, retirement plans, pastime plans. We will then build them into your cashflow document and offer you confidence to drive the plans forward.

Because it's not about what your money is worth, but what it is worth to you.