

# A Husband's Point Of View



## A.M.H. Financial Services



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### On the Lighter Side

If you don't like musical puns, you have my symphony.

Why are basketball players prone to exaggeration? Because they love to tell tall tales.

Did you hear about the cat that swallowed a ball of yarn? She had a litter of mittens.

What is the hardest thing about learning to ride a bicycle? The pavement.

I tried to get reservations to a library, but they were completely booked.

Happy Mothers Day to all the mother's out there!

The reverberations of the COVID-19 global pandemic have been a wake-up call for many as they scratched their heads over their finances: Were their wallets in disarray or have they come through this pandemic well?

There's a good chance that your family has strayed from your "normal" finances over the course of the past year or so. Whatever your circumstances, the pandemic likely changed the way you look at money: how and where you spend, how you invest, the importance of an emergency fund, and whether or not you're living within your means.

Now that's there's a light at the end of the lockdown tunnel in Canada, it's the perfect time to update your family's financial plan as you look ahead to your new normal.

The unprecedented coronavirus pandemic was a timely reminder that even black swan events—extremely rare, unexpected events with severe consequences—can come to pass. The pandemic has demonstrated unequivocally that such unforeseen and unplanned-for events can wreak havoc on economies around the world, creating a ripple effect that impacts each one of us.

One of the lessons of this crisis is the realization that we must all prepare for any such eventuality in the future. You must start by ensuring that you are, at the very least, financially protected against a similar event. The only way to achieve this goal is by creating a financial safety net through long-term planning.

I have included information in this newsletter on mistakes commonly made in personal financial planning as well as tips on how to handle your financial paperwork.

**For more information on how to be better financially prepared should we be faced with another global emergency such as another pandemic call me today (780) 425-4058**

Tax reduction is not a goal.  
People devote too much attention to reducing taxes when they should be concentrating on accumulating wealth.

## The most common mistakes in Personal Financial Planning



**Know what you own and why you own it!**



Of the many errors families make in money management, 10 are repeated constantly:

1. **Only one family member is involved in financial affairs.**  
One spouse should have ultimate responsibility for decision making, but both should be involved in financial planning with accountants and lawyers. Bonus: Goals are more easily met if both partners pull in the same direction.
2. **Life goals are not on paper**  
Write down your goals, attach a dollar amount to them and weigh their relative importance.
3. **There is no family budget**  
Budget carefully, so you know what you're spending. It's easier to change what you spend than what you earn.
4. **The family as no excess liability (umbrella) insurance**  
This type of coverage provides extra protection against lawsuits if someone is injured on your property, in your car, by a mis-struck golf ball, etc. Acquiring this type of insurance could be one of the wisest investments you ever make.
5. **The contents of your home are not insured up to their replacement value**  
To maintain your standard of living, buy replacement-cost coverage. Discuss exceptions with your insurance agent.
6. **There is insufficient liquidity to handle emergencies or opportunities**  
Create a war chest. Have emergency funds available equal to three to six months of spending money. Use your budget to arrive at an exact figure.
7. **Investments are not diversified**  
Putting all your eggs in one basket is not a good idea. Spread your money around to several different investment funds and if one goes down you will still have your other investments in place elsewhere limiting the amount that you risk losing.
8. **A general-practice attorney drafts the families wills**  
Consult an estate planning specialist especially if your life insurance and death benefits equal \$500,000 or more.
9. **No tax projections are made**  
Know the tax "weather" so you can better decide which "investment clothes" to wear. Read the financial pages regularly and consult with professionals.
10. **Income earners do not have disability insurance**  
Know your disability coverage needs and seek adequate protection. It is well worth your time and effort to do so. Generally you should get as much disability coverage as the insurance company will let you have.



## ***How to Handle Financial Paperwork***

Do you honestly know...where all your important financial papers are? How long to keep those papers? Which papers should be stored where? Most people would answer "no" to these questions. Any "no" answer should indicate that it is time to go through all your important papers and records and get them organized. Start by dedicating a file drawer of a small file cabinet to your financial records. Anything less than that will prove to be inadequate over time. Keep one section of the file cabinet or drawer for files that you will have to handle often during the year. Keep another section for files that will hold permanent information. Next go through the records you currently keep...file by file, envelope by envelope, paper stack by paper stack. Follow these rules on what to keep and where to keep it:

**Auto Insurance** Policy claim forms, records of claims filed and paid.

**Bank Statements** Use separate files in which to keep chequing, savings other investment certificates

**Charge Accounts** Have one file for each creditor. File bills and records of payments

**Credit Cards** File statements and records of payments.. Also keep readily available a list of credit card numbers and the phone number to call if a card is lost or stolen.

**Health Insurance** Policies, benefits explanations, claim forms, records of claims filed and paid

**Home Insurance** Home or apartment insurance, fire insurance, umbrella liability policies

**Mortgage Statements** Keep records of statements and evidence of payment

**Personal Loan Agreements** Keeps records of payments on all loans you owe to others...and of all loans others owe to you (family)

**Retirement Accounts** Keep separate files for RRSPs, CPPs, non-registered plans, profit-sharing and stock-option plans and pension statements.

**Stockbroker Statements** Keep records of all purchases and sales.

**Long-term records** Files you have to handle rarely. Keep these at home or, when indicated, in a safe-deposit box at the bank. **Caution:** Keep valuables and vital papers in a safe-deposit box, but don't overdo it. The box may be sealed when you die, so wills, cemetery deeds and life insurance policies kept there may be inaccessible just when they are needed the most, unless you have taken the steps before your death to give the trustee of your estate access to your safe-deposit box.

**Life Insurance** Current policies and copies of the summary statements highlighting the terms of the policy. *Also useful:* List each policy by name of insurance company and policy number. It is usually possible to make a claim with only this information, without the policy itself. Throw out policies you have canceled.

**Will** File copies of the current will. Keep a copy at home in an accessible location. You can keep originals in your safe-deposit box and/or with your lawyer.

**Living Will** Give copies to family members or close friends, your attorney and others who should know your wishes. Remember to keep one copy accessible at home.

**Power of Attorney** Copies of power of attorney forms giving you power over others' accounts or giving others power over your own accounts. Whoever holds your power of attorney should have a copy. So should your attorney.

**Durable power of attorney** for health care or health care proxy. Leave copies to the individuals mentioned above.

**Social Insurance Cards** Photocopy each family member's Social Insurance Card. Keep the originals in your safe-deposit box.

**Birth certificates** make copies for each family member. Keep the originals in your safe-deposit box.

**Marriage**, separation, divorce and prenuptial agreements, adoption papers. Keep in your safe-deposit box.

**Military discharge papers** keep in your safe-deposit box.

**Real estate** keep deeds and title insurance in your safe-deposit box.

**Trust agreements** for trusts you set up or of which you are the beneficiary. Originals should be kept in a safe-deposit box. Leave copies with your lawyer and trustees.

**Partnership Agreements** Keep in your safe-deposit box.

**Burial arrangements** include cemetery deeds and instructions. Give copies to family members or friends who will have to make arrangements.

**Financial Advisor**  
**Since 1976**



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Take a look at our website!

**[www.amhfinancial.ca](http://www.amhfinancial.ca)**

AMH Financial Services is a full-service firm. We offer services to help you examine your financial goals and select the options that will best suit your needs, timeframe and investment style. We believe in helping you create a comprehensive financial plan for your family that includes planning, insurance and portfolio management.

### Understanding what matters to you.

As life changes, your financial priorities evolve. That's why at AMH Financial Services we are here to understand you first, and then your financial picture.

We take the time to understand your unique investment goals. Through an in-depth discovery process, we'll get to know who you are and what truly matters to you and your family.



**MY COMMITMENT AS A FINANCIAL ADVISOR IS TO HELP PEOPLE TO REACH THEIR FINANCIAL GOALS. IF YOU HAVE A FAMILY MEMBER, FRIEND OR COLLEAGUE WHO YOU FEEL COULD BENEFIT FROM A CONVERSATION WITH ME, I WOULD BE PLEASED TO SPEAK WITH THEM WITHOUT OBLIGATION.**

I believe that every individual has an unalienable right to make the best and most effective use of hard-earned income, to have easy access to up-to-date and informed advice, and to be able to provide for short and long-term requirements.

I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.



My mission is to help you to make an educated decision that you are comfortable with!

