



PLANNING FOR LIFE

Kim Potgieter, Certified Financial Planner and author of Retirement: Get More Meaning From Your Money (Jacana), suggests critical checks for getting your long-term bank balance in order

Planning your financial future can be like doing a jigsaw puzzle. There are numerous pieces, each with its correct place – but how do you put them together to create a meaningful picture?

If you've ever done a jigsaw, you'll know that the only way to succeed is by having the original picture in front of you. Yet many of us take time and repeated attempts to organise our finances without having any idea of the complete picture we're aiming to create. You need to ask yourself what you want your money to achieve for you.

To help my clients answer this crucial question, I use a few tools, the most important of which is the Wheel of Balance. This guides us in investing money to meet our clients' needs – and merging money with a significant life is what we call financial life planning.

The Wheel of Balance comprises eight components: work, giving back, relationships, money, learning, purpose, health and play. I firmly believe that no life – especially in retirement – is complete without a balance of each of these elements.

Imagine having all the money you need, but struggling with an unhealthy body, or not enjoying harmonious relationships in your family. We tend to immerse ourselves in our careers, with goals of wealth and status, but often have no sense of fulfilment or purpose in our daily tasks.

If you're aware of a sense of imbalance in your life, it may be time to change your perspective. In my book, I use a kaleidoscope as a motif to demonstrate this lesson: the slightest shift and the whole picture can change. You can make tremendous positive changes in your life by simply altering your perspective, even slightly.

You can benefit by seeing how you score in each area of the Wheel of Balance. Financial planning is important, but it's equally important that money is your servant, not your master.

Living in debt in an attempt to achieve happiness simply creates imbalance and, ultimately, discontent.

Many clients approaching retirement think they're going to spend it playing golf and travelling – but you can only do so much of that before it loses its appeal. After all, there are 168 hours in a week to be filled – how many lunches with girlfriends can you have?

For each aspect of the Wheel of Balance, identify goals and dreams for yourself: sure, there can be travel, but make sure you're also giving back to the community in some way. Of course include gym sessions, but also commit to keeping your brain active through learning. And, naturally, relationships require just as much attention as you've been giving work or play.

MAKING MONEY WORK IN RELATIONSHIPS

When we engage in this process of planning with our clients, we always include both individuals if they're a couple. They could be a mother and daughter, siblings, partners, spouses – any two people whose financial decisions impact each other. To complete the puzzle, we need to see the full picture: parallel lives that come together at various points.

Couples should ensure they don't have the unrealistic expectation that their partner will fulfil all their needs, whether financial or emotional. We must take ownership of our own picture of what we want for our lives – including for retirement – and the plan can then combine the two visions. Ongoing communication is vital to the success of the plan.

Allow me to share a client story which illustrates how family dynamics can shape the way we manage our money:

Sarah's* dream was to buy a holiday home where the family could gather for relaxing vacations away from the stress of their jobs. She wanted to spend quality time with her daughter and grandchildren. To achieve this goal, she knew she'd have to work longer hours and harder to afford to fund the property purchase. She was a few years away from retirement, so she also felt the pressure

of generating enough income in a shorter period. When we met her, she was set on this course, but quite tired and stressed about it. We took her through the life planning process. We discussed her personal Wheel of Balance, while not ignoring that she had priorities which included "quality time with family" and "holiday home". Because health is one of the aspects of the Wheel of Balance, we explored the possible impact this frenetic work schedule would have on her health and emotional well-being. Her relationship with her family was suffering because she was unable to spend much time with them. In fact, the outcome was exactly the opposite of what she wanted for herself and for them.

Together, we came to the realisation that she could have exactly what she wanted – more time with her family – by *cutting back* on her working hours and the demands that went with them. She became less stressed and began thoroughly enjoying fun times with her daughter and grandchildren. With the relief of not having to save so stringently for the huge financial commitment of purchasing a second property, they were all able to be creative in creating special family memories.

Often the answer to our money woes is right in front of us. We simply need the tools to dissect the problem efficiently in order to find solutions.

* *Not her real name.* 

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POTGIETER'S FIRST MONEY MEMORY



I recall the searing pain of my burning feet. My mother had just frantically scooped me out of the piping-hot bath water into which I'd inadvertently stepped and was running down our street to the closest hospital.

Why not simply phone for medical assistance? Or jump into the family car and race to the hospital? It was all about money.

Don't misunderstand me: we had money – more than enough of it. But my father controlled it and my mother had to ask for every cent she spent on the household, the children and herself.

My father locked the freezer and the car in the garage, only allowing access to them as he saw fit – often portioning out meat to my mother for that day's meals only. Christmas gifts for the children were extravagant – from him. My mother could afford only meagre offerings on the money allocated to her by my father.

I witnessed the dysfunctional relationship my parents had with money and now recognise how it shaped my own attitude towards it.

My painful history illustrates two things: firstly, how beautiful, intelligent women can nevertheless relinquish their financial freedom to their husbands and, secondly, how all of us are shaped by our first money memory.

I almost obsessively pursue my own financial independence, but also revel in the finer things in life. These attitudes have grown out of my first memory of money. If you're aware of your own first money memory and how it shapes you, you can respond healthily.