

Will You Bogey Your Retirement?

The golf season has finally arrived – a little late, a little wet - but golfers are hitting the links with vigour. It is a relatively short golf season in Saskatchewan so we learn to play in all kinds of conditions; wind, rain, mosquitoes, and more wind! It is much like life where we control some parts of our environment and learn to deal with the rest.

Did you know the game of golf has much in common with financial planning?

Let's have a look;

- **Environment:** The course is where the golf game is played with lush fairways and hazards along the way. You can take lessons, use course knowledge and a game plan to improve your chances of scoring well or play with reckless abandon and take what you get. Working with a financial advisor and having a plan increases your chances of hitting your financial goals or you can “wing it” and see what happens.
- **Equipment:** The tools of golf are clubs and a ball. Some are better than others but you have to learn to use them. Millions of dollars are spent to convince you that new equipment will change your game, however, your natural ability, commitment to improving and practice will have a bigger impact. Investors look for a “get rich quick” scheme or a hot new product they learn about at a seminar. Occasionally it works. More often, a solid framework for making investment decisions along with a plan to make your efforts relevant to your life goals will win the day.
- **Tracking Progress:** In a golf game every hole is tracked – eagle, birdie, par, bogey are terms to measure your efforts against a standard. Your handicap tells you how your overall game is progressing. A financial plan, whether formal or ad hoc, is measured too. A financial advisor will chart your progress towards financial and life goals to keep you motivated and make adjustments where necessary. Individuals who are working their own plan often use short term results to make long term decisions, often with negative consequences.
- **Attitude:** In golf, as in life, you often get what you expect. If hitting over water intimidates you, there is a good chance your shot will end up wet. When you can block out negative thoughts and leave a bad hole behind, your score will improve. Realistic expectations of your efforts to achieve financial targets will go a long way towards a successful plan. If you only invest when you “have the money” or when markets are good, there is a good chance you will come up short. Expecting

reasonable long-term returns with a disciplined investment plan will give you the results you want.

There is one major difference between golf and financial planning. If you have a poor golf game because of lack of effort, preparation and practice, you can blame your old clubs or the "golf gods" and get on with life because it is only a game. If your financial plan doesn't work – and everyone has one by design or default – you live with the consequences forever. It may even hurt your golf game!