

FINANCIAL PLANNING

Life is for the living

Brokers, or financial planners, as they style themselves these days, still have the reputation of having a sales-driven approach. Their relationships with their customers have often been more analogous to a one-night stand than a long-term relationship.

But Chartered Wealth, which this week won the 2009 SA financial planner of the year award, is the antithesis of the hit-and-run broker.

Chartered Wealth founders John Campbell and Barclay Hoar — who focus on the retirement market — call themselves life planners. They are disciples of Mitch Anthony from Rochester, Minnesota, author of *The New Retirementality*.

Campbell says financial planning is about return on life before it is about return on investment.

Like most of these US-based programmes, it contains plenty of catch-phrases. One is that money should be your servant and not your master.

Campbell's and Hoar's core business is still doing "the maths" as they call it — adding up the client's assets, looking at the spending plan and working out the required return. But it is not done in

some anonymous black box.

It is tailored to accommodate any dreams and goals.

"We encourage our clients to see the Jack Nicholson film *The Bucket List*," says Hoar. "In it he tries to visit all the places and do all the things he wanted to do before he dies."

The third shareholder in the business is Kim Potgieter, who is a psychologist as well as a certified financial planner. Part of the client induction process is a full interview with Potgieter in which money is hardly mentioned. It is a way to understand the client's ambitions and personality.

In the Mitch Anthony model, financial wellbeing is just one of the factors leading to a successful retirement. As well as the obvious areas of health and relationships, these are intellectual stimulation, spiritual balance and — something not nor-

mally associated with retirement — work.

Yet it is now established that the intellectual stimulation of work can hold back the onset of Alzheimer's and other forms of dementia. Stopping all work at retirement and not replacing it with other intellectual challenges often leads to an increase in alcoholism and even divorce.

"The reality is that these days 65 is not old," Anthony told the *FM* on a recent visit to SA. "Retirement was based on conditions in an industrial world in which people were physically too old at that age to work in the foundries or down the mines. Unless you live in Detroit, the industrial age is long gone. We now live in the experience age, in

which older people can attract a premium. Why is it, for example, that judges are allowed to carry on to 75 when the rest of the working population goes as early as 62?"

Campbell says the principal asset for everyone is the same — the 168 hours in the week. Effective time allocation is just as important as effective asset allocation.

Chartered Wealth does not spend time worrying about investment issues such as asset allocation and manager selection, as this is subcontracted to investment consultants, who offer products that target real returns. The most popular portfolio for Chartered's retired clients is the acsis inflation-plus 3% to 5% strategy.

"I do not think it is the financial planner's job to fret about whether to increase exposure to equities today. Too many planners have got burnt when they have been tempted to move money, and ended up destroying value," says Campbell. "And in any case, that is not Barclay's and my core strength." He says he believes that their strong point is to help their clients plan for a "successful retirement".

Campbell says the regular reviews with clients hardly ever involve the hard numbers, but are much more concerned with lifestyle issues.

It is sometimes about persuading clients who are nervous about running out that they can spend money — one client with R10m needed to be convinced that she could afford to go to Australia to see her son.

Chartered Wealth won the financial practice of the year award on the strength of its high profitability and its business structure. Practice manager Caroline Wilson runs the day-to-day operations. There is a staff of 28, and the financial planners are supported by retainer planners.

"The clients belong to the company and they are not 'owned' by a single individual," says Campbell, "We know the business would run well if we weren't here."

Chartered has also acquired some businesses' books, and brought the principals on board: one was former Old Mutual manager Johan van Wyk. And the most recent is radio personality Lionel Karp, who is handing over his financial planning business within a time frame of three years. **Stephen Cranston**

THOUGHTS ON LIFE PLANNING

- **Retirement is an artificial finish line** – stay in the race as long as you need to
- **Before you go into retirement**, ask what has been drawing or repelling you, what you are looking forward to and what you are most concerned about
- **Work, whether paid or not**, should be a feature of life after retirement, golf is not enough in the long term
- **A life of total ease** can precede a life of disease
- **Work in retirement is not primarily about extra money** but about staying engaged, making a contribution and keeping up a positive social network
- **Time allocation is as important** as asset allocation in life planning. A balance of work, learning and leisure is critical
- **The financial plan has to go hand in hand** with the life plan. It needs to suit your personality and aspirations
- **The five secrets of successful retirement** are connectivity, challenge, curiosity, creativity and charity

SOURCE: CHARTERED WEALTH SOLUTIONS AND MITCHANTHONY.COM



Barclay Hoar
Write your bucket list