

Sound Advice



Looking Back - Looking Ahead

By Rod Tyler, CFP, R.F.P., CLU

This year marks my thirtieth anniversary as a financial advisor and so it seems like an ideal time to share with you some historical perspective on how the world of financial planning has changed, has reshaped, and what has remained the same. Before I begin on this subject, I would like to share with you some early personal history.

Long before I became a financial advisor, my first aspiration tended toward the field of education. When I was a young man of 20 years of age, I was attending university, working on my second year toward a general arts degree. I was somewhat restless and yearning for adventures beyond writing papers and studying in school when a friend approached me with a great idea. He suggested that we put our academic careers on hold and take positions teaching "Adult Education". We agreed that we could take one year off, and so we applied and obtained a teaching assignment: to teach and assist First Nations students, between the ages of 19 to 65 years, on a reserve to achieve their grade 8 equivalency. The experience changed both of us, and it was rewarding in a wonderful way. It was a moving experience to be present and to observe my oldest student, a 65 year old grandmother, proudly receive her grade 8 equivalency. The experience of being part of a process of teaching and helping students reach a set goal was a worthwhile endeavor for me.

My next venture was an entrepreneurial one. I had spent a little less than a decade operating and then selling a business, Tyler-Rent-A-Truck, which consisted of renting and leasing trucks in a mining town located in northern Manitoba. After that somewhat rewarding experience, I returned to university, completed Graduate Studies, and I was searching for my next new challenge – a new career.

"The field of financial planning appealed to me because it would simultaneously allow me the opportunity to pursue my interest as a teacher, while helping clients take action on their financial goals."

Here is a hilarious anecdote from my early days as a Financial Planner. It was the mid-1980's, and I was considering how to present financial planning seminars as a teaching tool for financial literacy and promote ideas around assisting a clientele to make informed financial decisions. Together with a colleague, we created a seminar, which seemed like a great educational tool to reach the public and educate them on the value of a financial plan and building savings over time. Our choice of a location was the Town of Craven in Saskatchewan,



*“The farther backward you can look,
the farther forward you can see.”*

Winston Churchill

and the venue we chose was the town hall. After setting up all the groundwork for our seminar, consisting of advertising, sending out invitations to all the residents in and around the towns of Lumsden and Craven, we were set to offer our first seminar. We could not foresee what happened next! We were rewarded with three, yes count them, three guests, and two of them were our supportive wives! The third attendee was a member of the local RCMP detachment. As we continued on with our presentation, I nervously wondered in the back of my mind if our potential client was just checking on two guys who appeared over-dressed in suits and ties, offering financial wisdom on that warm, prairie evening so long ago.

Since that first modest attempt at educating and sharing the concepts of financial planning, I have presented many seminars to audiences large and small, but always with the same objective: to encourage and improve financial results by using the services of a financial planner.

As we move ahead a few more years when technology took a leap into the field of computer technology and the availability of personal computers or “PCs”, we now have at our disposal financial planning software programs. In the mid-to-late 1980’s, creating a financial plan or a financial statement was a daunting task. I would input all of my client’s financial information into a computer program, and then I would go for a long lunch. About two hours later I would return and the computer would print out a financial plan. If there were any changes required, two more

hours would elapse before the results would be available. Today the results are instantaneous. That is real progress!

In 1982, interest rates had just touched an all time high: 19% on Canada Savings Bonds, and the value of the stocks of companies on the Toronto Stock Exchange had reached an all-time low, the same price they had been in the year 1969 – over a decade before.

Now let’s look at interest rates today – they have hit an all-time low, in some cases the lowest in 200 years, and the rate on Canada Savings Bonds has dipped to .1%. The present low interest rate has produced a new set of challenges. Some are obvious, others remain invisible, but it will eventually become a real problem for savers and borrowers. However, one thing has remained the same: getting advice from a qualified financial planner.

I could recount more examples of various changes in the financial landscape, and I would be happy to discuss this and any other questions you may have. For now I will close by sharing with you some enduring “principles” I have learned, and which will serve you well into the future.

The first is that the foundation of financial success is a financial plan.

It should be your personal plan, the one that guides you to your personal goals. The sooner you begin, the greater your chances of success, but keep in mind, it is never too late to begin. We can help you develop your financial plan.

The second thing I have learned is that my role of a “financial planner” is really that of a “financial interpreter”.

The world of personal finance has changed dramatically and sometimes it can seem overwhelming. To this end, we are committed to financial literacy – to help you gain knowledge, develop skills and to gain confidence in financial money management.

The third point I have learned is that it is helpful to have a coach – someone who can help you take action when sometimes it is easier to procrastinate.

Translation: No action – no results. We are available to provide financial coaching and encouragement so that you can savour the rewards of prudent financial choices that are tailored to your individual needs.

What *not* to do in a “Bear Market”

by Zena Amundsen, CFP



Each year my family and I head west for our annual camping trip. Fernie was one of our destinations this summer. We kayaked the Elk River and enjoyed the great hiking trails. By August the berries were ready for us and could be found everywhere.

One early morning my husband and I set out on a hike choosing the path that followed the raspberry bushes. With our heads down picking berries, enjoying the solitude of the morning, we came face to face with a brown bear.

Let me pause here and give you some background. I have lived in Northern Saskatchewan for two years and I have enjoyed many outdoor experiences. Our canoe trips have taken us through the boreal forest, full of wildlife and bears. I have prepared myself and my family for what to do if we encounter a bear on any of our adventures.

So, with that said, the bear and I had a stare off. I then did opposite of everything I know. I ran! My husband tells me that I pulled a George Costanza. I went right past him and I have been told that there was a shrill shriek coming from my throat. You might ask, what is a George Castanza? He was a character from the 90's television sitcom, Seinfeld. He was often driven by impulse and pure emotion that ended up creating chaos or trouble. The episode that I know my husband is referring to was

the one where George flees a burning kitchen, knocking over several children at a birthday, so he could escape first.

Now, I did not knock my husband over while I escaped, but I did pass him in a very brisk jog. He had to yell my name and tell me to STOP running. Luckily, the bear did not chase us and he scampered in the opposite direction. After much teasing by my family and retelling of my George Costanza reaction, I realized that my response to take flight was a normal impulse. However, our first instinct is not always the ‘right’ one. I see the similarity in my behaviour to that of the emotion we let take hold of us when making financial decisions. I knew what I was supposed to do, but George Costanza took over and all rational thought went out the window.

I know that our own behaviour is one of the most important variables in our long-term results. We would not be human if we did not have the flight response to fear, but the key is to listen to the voice of rational thinking. I won't tell you to throw your backpack away from you, back away slowly or play dead, but I will tell you to stay the path and I will point out all of the rational thoughts that lead us to our decision making. I have noticed that our clients have not followed my George Costanza move by running during a time of emotion or crisis. You have found success by staying the course.

“Wealth isn't primarily determined by investment performance, but by investor behaviour.”

Nick Murray, *Simple Wealth, Inevitable Wealth*

A Client's Critical Illness Story



Insurance is not just for when you die. It can also be an invaluable asset in the event you become seriously ill.

What is Critical Illness Insurance?

It is a cash payment paid to you in the event of a serious illness. You decide how to spend the money.

We asked one of our clients to share her story about her Critical Illness experience.

When did you purchase Critical Illness?

I purchased my Critical Illness policy in 2004.

Do you remember why?

Rod had talked to me about what Critical Illness was and why he thought I should have it. I remember purchasing it because there was the option to have our premiums returned back to us after 10 years, not thinking that I would ever need to use it!

When did you need your Critical Illness policy?

I was diagnosed with Breast Cancer in June 2011.

Can you share that journey with us?

After finding a lump and visiting the Doctor. I was given my results. I live a clean and healthy lifestyle. I was shocked that this could happen.

My daughter who lives in Alberta had researched my diagnosis and talked with her own Naturopath Doctor. After investigating my options, I made up my mind to not have chemo or radiation. I chose the path of alternative health treatment to move forward.

My treatments are in Calgary where my daughter has given me a place to stay and drive me back and forth to the clinic. The Naturopath Doctor determined the testing and started me on a program, by working with my body from the inside /out. I have been going to the Naturopath for a full year now, and I feel amazing.

This treatment option is not available where I live, but I have used my CI policy to fund this journey and thank goodness it gave me the means to do it.



Zena Amundsen, CFP

I am pleased to announce that Zena Amundsen has successfully completed the requirements for her CFP designation. Zena's dedication to the financial planning process and providing quality advice to our clients has been evident from the time she joined Tyler & Associates over three years ago. She has distinguished herself by completing the requirements to be a fully licensed and accredited advisor, all the while working full time as a client service specialist, completing her B.A., and being a great mother to two teenage daughters!

Zena will continue contributing to our client's financial success by preparing written financial plans, retirement calculations, and offering insurance advice.



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At Tyler & Associates we accept new clients on a referral basis. If you know a colleague, friend, or family member who could benefit from our advice, please call us.