History is a Good Teacher

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Like many young adults, Lindsay took what her parents had to say with a grain of salt when it came to money. A new college graduate with an entry-level job, she was more interested in spending her paycheques than saving them. Saving was for later, she thought. Life was for living. When her father raised an eyebrow or offered advice, she brushed him off.

Then came the financial collapse of 2008. Lindsay lost her job and moved back into her parents' basement, regretting immediately almost every dollar she had blown.

As the economy slowly recovered over the next couple of years, Lindsay found a new career-track job. She approached things very differently the second time around. She had no intention of living off her parents again and realized that financial independence required time, smarter choices and sound advice.

As soon as she was eligible, she joined her company's Group RRSP plan, contributing enough to get the maximum employer match. The plan representative opened her eyes to the power of compound interest, showing her how much the first ten years of investing could fuel long-term growth. He also explained that contributing an additional 1% to her RRSP - an amount she'd hardly miss - would offer tax savings and a well-funded retirement down the road.

A decade later, when COVID-19 sent the market plummeting again, Lindsay was very grateful for the investment decisions she'd made in 2010. With guidance from a trusted financial advisor, she had built a growing investment portfolio that should easily support her future goals and make her feel less vulnerable to market volatility. She'd learned the value of balancing risk and reward and listened to her advisor's recommendations for diversifying investments.

She realizes now that these were the lessons her father had been trying to teach her so many years ago. "Those raised eyebrows felt like judgment at the time, but Dad was just wanting me to respect the money I was working so hard for," says Lindsay. "Encouraging me to take an active interest in my financial future was also motivated by the fact that he and mom had started planning much later in their lives. He didn't want me scrambling for financial security in my 40s as they had."

Whether it was the painful lessons of the 2008 financial crash or the fresh panic unleashed by the COVID crisis, Lindsay is one of a growing number of younger adults choosing to work with a financial advisor earlier in life. Today, Lindsay views working with a financial advisor as "the best insurance against a roller-coaster market. I'm grateful that I started when I was in my 20s, even though I was resistant to it at first. Honestly, it's still a little hard to admit, but my dad was right."

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