

TO HEALTH, HAPPINESS AND PRODUCTIVITY

Being across finances linked to happiness

■ Kim Macdonald



As the old English proverb goes, no-one is worse shod than the shoemaker's wife.

And the saying, which suggests that experts and their loved ones fail to benefit from their knowledge, appears to hold true on St Georges Terrace.

A newly released White Paper by Advocate Private Wealth shows an alarming number of WA professionals, including company directors, managers and chief executives, pay scant attention to personal finances.

Less than a fifth of the 137 professionals surveyed for the research felt they were completely organised in all aspects of their financial life.

The most neglected area was tax minimisation, management and planning, with only 13 per cent claiming to be completely on top of these matters.

And it seems the current crop of business leaders have not taken heed of the mess left behind when Robert Holmes a Court died without a will; less than a fifth had fully planned their estate.

Advocate Private Wealth managing director David Pettit said the implications of this disorganisation went deeper than the family budget, with the white paper revealing the inextricable link between financial organisation, health, happiness and productivity.

While the age-old debate about whether money makes you happy will never be settled, the research draws an emphatic link between financial organisation and happiness, with 72 per cent believing the two are related.

An overwhelming 96 per cent of respondents believe health and happiness are related and, in perhaps the most telling statistic for corporate bottom line, 57 per cent think personal financial organisation positively influences workplace productivity.

The White Paper states that employees who have their financial house in order suffer less stress and have greater clarity and focus. A crisis is less likely to detract from their performance.

But as Mr Pettit points out, relatively few employers offer

staff assistance with their personal finances or any other form of wellness service.

He said most survey respondents said they would welcome genuine personal financial advice in the workplace, though he warned employers should be selective about who they invited to speak in a bid to prevent a return to the days when self-interested salesmen were allowed to push their wares in the office.

Nonetheless, the corporate perspective of staff well-being was starting the change.

"No longer is it about an employee working nine-to-five and being left to his or her own devices to produce output," the White Paper said.

"The intersection between health, financial security, happiness and productivity are becoming better understood."

Mr Pettit has seen the industry, and his own perspective, change over the years.

"For the first part of my career I did what most of the financial services industry did, I simply spoke about financial theories and strategies — not emotion, not life, not living," Mr Pettit said.

"I now strongly believe in living out of life goals and doing what is truly important, and I also believe in linking this with awareness and attention to our ongoing health and wellness, and underpinning this with sound financial organisation.

"This results in reducing risk and taking advantage of opportunity as and when it comes along.

"After all, the most dangerous risk of all is the risk of spending your life not doing what you want, on the bet you can buy yourself the freedom to do it later."

Advocate Private Wealth director Dale Scally, who was lead author of the White Paper, believes financial organisation buoys happiness by removing "nagging discomforts."

"I believe one of the reasons for this is the weight that appears to lift off the shoulders of our clients when they understand that, with some initial guidance and structural changes to their finances, their future position becomes a lot brighter," Mr Scally said.

He said executives neglected their finances for the same reason three-quarters of them spend



Remarkable: AIM WA's Gary Martin, centre, with Advocate Private Wealth's Dale Scally and David Pettit, says there's a strong case for employers to take a role in supporting employees' personal financial management. Picture: Sharon Smith

less than 15 hours a week quality time with family — lack of time.

The White Paper showed about three-quarters work more than 40 hours a week and 70 per cent spend less than an hour week on their personal finances.

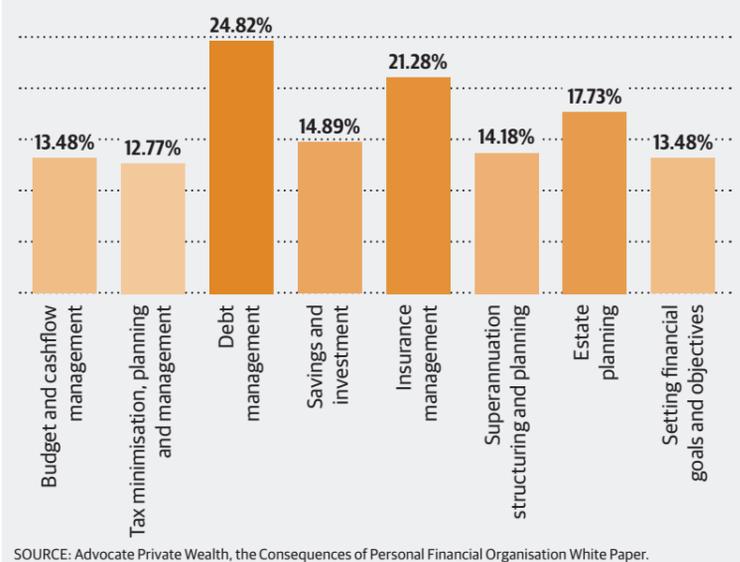
The Australian Institute of Management WA, which supported the White Paper and the survey of its members, said it raised an important question about whether employers had a role in supporting employees in their own personal financial management.

AIM WA chief executive Gary Martin said there was a strong case for it, partly because of the impact on productivity.

"It's quite remarkable that the same group of people who spend an enormous amount of time on financial management in their workplaces dedicate such a small amount of time in pursuit of their own personal financial management," Professor Martin said.

WHO IS ON TOP OF THEIR MONEY?

% of respondents who are totally organised in each area



Be realistic about money, sanity in retirement plan

■ Neale Prior

More than 200 people at West-Business Retirement Masterclass with Nick Bruining have been told go through some basic financial steps in the lead up to leaving full-time work.

Bruining, a veteran financial planner and columnist, said people had to make a realistic assess-

ment of their expenses based on their lifestyle and retirement plans.

In the lead up to retirement, he said it was crucial to maximise other potential income as well as minimise tax expenses and fees on financial products.

People who had a poor grasp of their finances, or who believed they needed more than they

actually required, were vulnerable to investment spruikers pushing high-risk plays.

The second in a series of Masterclasses was told on Saturday that many people now chose to slowly transition to retirement.

This involved working less hours or working in less trying jobs rather than coming to a dead stop after working full-time.

And some who don't probably should. Bruining cited the case of an accountant who worked long hours and decided to completely retire at age 65.

The accountant was bored after three months of travelling and the loss of work activity was messing with his mind. He got a 25-hour-a-week delivery job that he really enjoyed and worked

until he fully retired at 75. "Let's not underestimate the importance of work to some of us," Bruining said.

"There is an esteem thing about it, we have a bit of a buzz going to work.

"Just don't think it is going to be wham, bam see you later.

"Retirement is very much a fluid thing."