

Financial Planning: Knowledge alone is NOT power



by **Benjamin Ang**,
Founding Editor of Money Playschool



Source: [GoalsMapper](#)

"**Knowledge is power**", goes the common saying. But in a world where information is freely available online, the quality of the knowledge you gain becomes critical. In addition, knowledge alone is not power. It is only when you apply the knowledge you gained that you truly benefit from it.

As the world-renowned business and personal development coach Tony Robbins says: "Lots of people know what to do, but few actually do what they know."

How does this apply to financial planning? Here are three questions that you need to ask.

1 Can I trust the source of this knowledge?

There is no lack of financial information that you can find online, given the emergence of "finfluencers" - financial influencers - in recent years. The key is discerning between good and bad advice.

Just like there are good and bad financial planners, there are also good and bad finfluencers. But the most significant difference between these two groups? Financial planners are well regulated and have to be responsible for what they share. Finfluencers, on the other hand, operate pretty much without any regulations in Singapore despite their growing clout.

In Australia, an Australian Securities and Investments Commission study found that 64% of Australians who followed financial influencers reported changing their behaviour because of online posts.

The government has since begun cracking down on these content creators. Those who feature or promote financial products for any misleading or deceptive representations or unlicensed financial services, or profit from affiliate links that direct followers to online brokers, or offer training courses on the stock market may be breaking the law. Offenders face hefty fines and up to five years of jail time!

It remains to be seen how and if the rules around finance content creators will change in Singapore. But one thing is clear, the number of followers does not reflect the quality of advice.

This is why at **Money Playschool**, as we work towards enhancing financial literacy, we believe in working closely with the professionals, such as Certified Financial Planner (CFP®) Professionals and the Financial Planning Association of Singapore (FPAS). As the founding editor, I have also completed various regulatory examinations and professional qualifications to upgrade myself and stay in the know.

Hence, whenever and wherever you come across financial information, ask yourself, "Can I trust the source of this knowledge?"



Joanna Leng, CFP® shares her experience with Money Playschool

Will working with a financial planner help me?

Information alone does not change behaviour. If it does, most people who aim to lose weight or become fitter would successfully do so, as it often boils down to two universally known fundamental principles - exercise and proper diet.

Why do people fail? Because of the absence of a plan or the lack of discipline to follow through. This is why there is often a need for a coach. And it is not just for beginners. Many elite professional athletes work with a coach, too, to have someone to consult on their blind spots and work with them to bring them to the next level.

It is similar in financial planning. Acquiring sound financial planning principles is the easy part. The hard part is coming up with a plan and the discipline to follow through in good markets and bad.

Perhaps the economic challenges of the pandemic and the uncertain economic environment would be able to give you an indication of whether having a coach would help you.

Were you badly affected because you didn't have enough emergency funds?

Did the volatile investment market stress you out?

Did you have a plan you could follow no matter the market conditions?

Would working with a financial planner have helped you to have a clear plan to follow and manage your emotions better? Likely so. A Financial Planning Standards Board survey found that during the Covid-19 pandemic, almost one third (32%) of CFP® professionals reported being more involved with their clients in managing emotions.

Hence, take stock and ask yourself, "Will working with a financial planner help me?"



Source: [GoalsMapper](#)

What type of financial planner am I looking for?

If we conclude that a financial planner would help in your financial planning journey, the next question would be, what type of financial planner are you looking for? Which financial planner would be able to help you to "actually do what you know"?

Suffice to say, a financial planner that provides general knowledge or peddles products does not cut it anymore. In today's day and age, you would want a financial planner that is highly knowledgeable, able to present a precise picture of your financial status, able to provide accurate projections of possible scenarios tailored to you, and demonstrate exactly how any recommendations would bring you closer to your financial goals to provide clarity.

And the good news is that the type of financial planners that can provide the above tend to be those that are ahead of the curve in investing in technology to enhance their financial planning practice.

According to the Future of Financial Planning Practice research, CFP® professionals viewed financial technology (42%) as the factor likely to have the greatest impact on how financial planners work with clients over the next five years, with almost 70% favorably viewing technology as something that would allow them to spend more time doing financial planning with clients.

70%

of CFP® professionals think technology will improve their adviser-client relationships.



Source: [GoalsMapper](#)

That explains the growing popularity of fintech solution providers and digital tools that leading financial planners in Singapore are investing in to leverage on technology to elevate their financial advisory practice.

In conclusion, knowledge is not power; applied knowledge is. Ask yourself the above three guiding questions, so you not only know what to do but actually do what you know with the support of a professional financial planner that is right for you.



Source: [GoalsMapper](#)

While there are various tools available in the market, **GoalsMapper**, a winner of SFF Global FinTech Award presented by the Monetary Authority of Singapore, is emerging as the platform of choice for financial planners and their clients. Leading financial planners use GoalsMapper's suite of digital solutions for a more informed discussion with their clients with the real-time interactive charts based on their clients' financial dreams and goals to a more structured and consistent follow-up servicing and reviews for long-term adviser-client relationships.

Knowing the type of financial planner that you would like to work with will help you find one that is right for you and able to work with you for the long-term.

In collaboration with Financial Planning Association of Singapore to celebrate the 6th World Financial Planning Day 2022, GoalsMapper will be giving a **complimentary financial report** to readers to review their financial health status.



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