Nicole Gopoian Wirick

Founder of Prosperity Wealth Strategies discusses her relationship-focused approach to the investment process and offers solutions to some common financial planning mistakes

Nicole Gopoian Wirick initially didn't set out to become a financial planner. After she earned her Juris Doctor from Wayne State University and passed the bar, one of her friends encouraged her to seek out opportunities at a global brokerage firm. That led to Wirick joining a young leadership program where she discovered not only her love for the financial planning field but also her passion for building essential relationships with clients.

Wirick also quickly realized just how much her legal background and knowledge of tax and estate planning came in handy. "In my law school studies, I was taught to analyze problems in a very specific way," she says. "So really, this is a great mix of my strengths in relationships and my analytical side."

But what Wirick says really sets her apart from others in the field is her dedication to prioritizing planning and goal setting as the first step. She says that can't properly invest a client's money until she knows "the whole person" and understands "what they value and why." "When people first meet with me, they want me to look at their financial statements, but I don't need those right away," Wirick says. "I want to get to *them*."

In 2019, right before the pandemic, Wirick decided to take her proven process for helping clients build wealth and open her Birmingham-based boutique firm, Prosperity Wealth Strategies.

She says this move gave her more freedom

to help her clients in her own way, including conducting frequent planning meetings with clients and their lawyers and accountants to provide a team-based approach to achieving her clients' overall financial goals.

While Wirick says the timing of the pandemic and uncertainty of the financial world could be seen as a scary time to open a business, she notes that market volatility is a normal part of the process. "You have to have good planning to get through the volatility," she says. "It's all about how you weather the storm."

We asked Nicole Gopoian Wirick to identify some common financial planning mistakes — and how to fix them. Here's what she shared.

MISTAKE 1: A CRACKING FOUNDATION

Most Americans have no idea what they own, who they owe, or what they're worth. I often ask people how much they think they're spending each month, and the actual amount is usually 50-100% more than they think.

The Fix: Knowing your building blocks is a critical first step on the journey for financial independence. That means inventorying your financial assets (what you own) and liabilities (what you owe). Here's a quick — but important — calculation: Assets minus liabilities equals your net worth.

And here's another quick but equally important calculation: Income minus expenses equals your free cash flow. Your bank account is a good tool for evaluating your cash flows. Does your bank account increase or decrease each month? Look for trends.

Voila! Now you have outlined the basics of your financial situation and can use that information to develop an action plan.

MISTAKE 2: PAYING YOURSELF LAST

With modern technology, most of us receive our paycheck via direct deposit into our bank account on a bi-weekly or sometimes monthly basis. We then pay our bills, make discretionary purchases, and invest whatever is left at the end of the month. By adopting this process, we put our financial future last on the to-do list.

The Fix: I challenge people to flip the status quo. Instead of treating investing for your future as the "whatever's left" component of cash flow, consider it to be a non-negotiable bill, like your mortgage or car payment, and set up a recurring automatic transfer from your bank account to your investment account. This pay-yourself-first approach elevates the importance of saving for financial independence.

MISTAKE 3: BEING AN OSTRICH

When it comes to uncomfortable or unpleasant situations, sometimes our response is to stick our heads in the sand, just like an ostrich. This is especially true when it comes to topics like incapacity, premature death, or disability — all of which are significant risks to financial independence.

The Fix: Address these fears head-on. You're likely to feel better after confronting them and developing a disaster plan that protects you and your family from the "worst-case scenario." You might even sleep better at night knowing that you have a plan to care for yourself and those you love in the wake of a crisis.

MISTAKE 4: SILO MENTALITY

You've gone through the steps to develop a solid financial plan based on your goals and resources (bravo!) but it's not aligned with your investment strategy (ugh).

The Fix: I believe that your financial plan and investment strategy are inextricably linked — one doesn't work well without the other. If your investments aren't aligned with your plan, then how do you know what you're investing for, or when, or why for that matter? Coordination is a key to success.

MISTAKE 5: FORGETTING ABOUT IT

Developing a road map to build wealth should be celebrated; however, I often see the plan shoved into a drawer — both figuratively and literally — and forgotten about after the initial excitement wanes.

The Fix: Change is constant, and life rarely goes according to plan. Create reminders to review your financial plan and update it regularly, especially as you navigate life's unexpected twists and turns. ●

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