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Getting Help from a Financial Professional



When considering employing a financial professional, try to determine whether the individual or firm has experience in dealing with situations similar to yours. If you have substantial assets, you may require someone with a broader range of expertise than would be needed if your finances were relatively simple.

Are you suddenly on your own or forced to assume greater responsibility for your financial future? Unsure about whether you're on the right track with your savings and investments? Finding yourself with new responsibilities, such as the care of a child or an aging parent? Facing other life events, such as marriage, divorce, the sale of a family business, or a career change? Too busy to become a financial expert but needing to make sure your assets are being managed appropriately? Or maybe you simply feel your assets could be invested or protected better than they are now.

These are only some of the many circumstances that prompt people to contact someone who can help them address their financial questions and issues. This may be especially true for women, who live longer than men on average and therefore may face an even greater challenge in making their assets last over that longer life span. In fact, one study found that women often value advice from a professional in their financial decision-making even more than men do.*

Why work with a financial professional?

- A financial professional can apply his or her skills to your specific needs. Just as important, you have someone who can answer questions about things that you may find confusing or anxiety-provoking. When the financial markets go through one of their periodic downturns, having someone you can turn to may help you make sense of it all.
- If you don't feel confident about your knowledge of investing or specific financial products and services, having someone who monitors the financial markets every day can be helpful. After all, if you hire people to do things like cut your hair, work on your car, and tend to medical issues, it might just make sense to get some help when dealing with important financial issues.
- Even if you have the knowledge and ability to manage your own finances, the financial world grows more intricate every day as new products

and services are introduced. Also, legislative changes can have a substantial impact on your investment and tax planning strategy. A professional can monitor such developments on an ongoing basis and assess how they might affect your portfolio.

- A financial professional may be able to help you see the big picture and make sure the various aspects of your financial life are integrated in a way that makes sense for you. That can be especially important if you own your own business or have complex tax issues.
- If you already have a financial plan, a financial professional can act as a sounding board, giving you a reality check to make sure your assumptions and expectations are realistic. For example, if you've been investing far more conservatively than is appropriate for your goals and circumstances, either out of fear of making a mistake or from not being aware of how risks can be managed, a financial professional can help you assess whether and how your portfolio might need adjusting to improve your chances of reaching those goals.

When should you consult a professional?

You don't have to wait until an event occurs before consulting a financial professional. Having someone help you develop an overall strategy for approaching your financial goals can be useful at any time. However, in some cases, a specific life event or perceived need can serve as a catalyst for seeking advice. Such events might include:

- Marriage, divorce, or the death of a spouse
- Having a baby or adopting a child
- Planning for a child's or grandchild's college education
- Buying or selling a family business
- Changing jobs or careers
- Planning your retirement



One of the best things you can do for yourself and your family is to be prepared to manage your finances responsibly. Even if you see investing as overwhelming or complicated and boring, you need to know the basics behind a well-thought-out investment strategy--at least enough to protect yourself from fraud and/or communicate effectively with a financial professional or spouse.

- Developing an estate plan
- Receiving an inheritance or financial windfall

Making the most of a professional's expertise

- You'll need to understand how a financial professional is compensated for his or her services. Some receive a fee based on an hourly rate (usually for specific advice or a financial plan), or on a percentage of your portfolio's assets and/or income. Some receive a commission from a third party for any products you may purchase. Still others may receive some combination of fees and commissions, while still others may simply receive a salary from their financial services employer. Don't be reluctant to ask about fees; any reputable financial professional shouldn't hesitate to explain how he or she is compensated.
- Even if you're a relative novice when it comes to finances, don't be afraid to ask questions if you don't understand what's being presented to you. You're not being rude; you're simply trying to prevent misunderstandings that could backfire later.
- Don't let yourself be pressured into making a financial decision you're not comfortable with or don't understand. This is your money, and you have the right to take whatever time you need. However, give yourself a deadline for your decision so you don't get caught in "analysis paralysis."
- If you think your financial life simply needs a checkup rather than a complete overhaul, you'll need to clarify the areas in which you're looking for assistance. That can help you decide what type of advice you're looking for from your financial professional, though you should also pay attention to any additional suggestions raised during your discussions. Your plans should take into consideration your financial goals, your time horizon for achieving each one, your current financial and emotional ability to tolerate risk, and any recent changes in your circumstances.

- Don't assume you have to be wealthy to make use of a financial professional. While some do focus on clients with assets above a certain level, others do not.
- Think about the scope of the services you'll need. Do you want comprehensive help in a variety of areas, or would you be better off assembling a team of specialists? Do you need an ongoing relationship, or can your needs be taken care of on a one-time basis? If you're a relative novice or having to deal with decisions you've never had to make before, someone with broad-based expertise might be a good place to start.
- Even if you feel you need detailed advice from several different specialists--for example, if you own your own business--consider whether you might benefit from having someone who can coordinate among them. A financial professional can sometimes be a gateway to other professionals who can help with specific aspects of your finances, such as accounting, tax and/or estate planning, insurance, and investments.
- If you want comprehensive management, you may be able to give a financial professional the independent authority to make trading decisions for your portfolio without checking with you first. In that case, you'll likely be asked to help develop and sign an investment policy statement that spells out the specifics of the firm's decision-making authority and the guidelines to be followed when making those decisions.

If you feel that consulting an expert might be helpful, don't postpone making that call. The sooner you get your questions answered, the sooner you'll be able to pay more attention to the things--family, friends, career, hobbies--that an organized financial life could help you enjoy.

**June 2014 study of affluent individuals conducted by Spectrem Group, a research/consulting firm focused on the affluent and retirement markets.*

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