

Why Hire a Financial Advisor?

- I. Module Introduction
 - a. Understanding the different investment accounts available to you, is an important part of financial planning
 - b. The key difference in these different accounts, is how they are treated for tax purposes
 - c. For all intents and purposes, an investment account is nothing more than a holding place for your investments and the determining factor for how your investments are taxed
- II. Module Outline
 - a. The module will be split into 4 sections:
 1. Why?
 2. When should I consider using an advisor?
 3. Who should I hire as my advisor?
 4. How do I hire an advisor and how much does it cost?
 - ii. Learning Objectives
- III. Section 8.1 Why?
 - a. Subjective: Keep you from making the big mistake
 - b. Objective: Add between 3-5% in returns according to studies done by Vanguard and Russell Investments
- IV. Section 8.2 When should I consider using an advisor?
 - a. Finding a trusted advisor early on in your investing years is critical
 - i. Compounding returns and time in the market
 - b. Feeling lost and disorganized is a good indicator that you are in need of advice
 - c. Life changes like new jobs, getting married, having kids, or retirement may spur a greater need for guidance
- V. Section 8.3 Who should I hire as my advisor?
 - a. Key things to remember when seeking advice:
 - i. Preferably someone you already trust
 - ii. An advisor who is independent of product
 - iii. Work with someone who has education at the forefront
- VI. Section 8.4 How do I hire an advisor and how much does it cost?
 - a. Hiring an advisor is relatively simple once you have decided who you will work with
 - b. Usually involves opening a new investment account and depositing funds or transferring an existing account
 - c. Advisors charge their clients in a few different ways:
 - i. Commissions
 - ii. Fees as a percentage of assets
 - iii. Fee for service
 - d. The cost to hire a financial advisor typically ranges from 0.75-1.5% depending on the advisor, how you work with them, and how much you have to invest
- VII. Conclusion
 - a. Hiring an advisor can make a huge difference to your retirement plans
 - b. Hiring a trusted advisor early on in your investing years can greatly increase your odds of successfully reaching the goals that you have for you and your family in retirement
 - c. Waiting to bring in a professional or bringing in the wrong professional can produce obstacles that can be very difficult to overcome