



## Feeling Ripped Off

*All my financial advisor wants to do is talk about some product they can sell me. How do I actually get unbiased strategies and advice? I wonder how much commission they are making off of me? Our advisor is my husband's golfing buddy, but I always feel talked down to - what can I do instead?*

Have you found yourself asking these questions? Let's face it. The financial industry has gotten enough black eyes that anyone in their right mind would be suspicious. Misleading sales practices, corporate shenanigans, and blatant fraud have dominated the headlines. It's no wonder that you don't know who to trust. If you want to hire an advisor but are afraid of getting ripped off, here are a few important things to consider:

**1. How Do They Make Money?** An advisor makes money one of two ways - either through fees or commissions. Commissions are usually made up front when the advisor sells you a financial vehicle. Fees take into account two things: time and complexity. Based on an initial conversation, your planner will determine the amount of time it will take to create a strategic plan or manage assets for you. The more complex your situation, the higher your fee will be. A typical retirement plan fee generally ranges between one to five thousand dollars. The bottom line is this: with a fee-based arrangement, you will walk away with a plan and a strategy that is good advice no matter what.

**2. Do They Work For You Or For The Insurance Company?** Here's the skinny - If an insurance company's name is on the office door, then they probably are an agent for that company. What does that mean to you? There is a vast difference between an independent financial advisor and an agent representing a company. An independent advisor assesses your situation, and matches you up with the best solutions in the financial industry. The role of an agent in a company is to match you up with the best solution that particular insurance company offers. Big difference. Be aware, and be wary.

**3. Do They Make You Feel Stupid?** Finance can be frighteningly complex. But it doesn't have to be. Finding a good planner who can explain difficult concepts in a way that you easily understand is like finding a hidden gem. How do you find them? Interview them, like this:

- Bring nothing. An interview is a conversation over coffee, not a time to go over statements or planning.
- You tell them why you are interviewing planners and a little about yourself.
- They tell you their process for working with people & what the fee will be.
- You evaluate whether you feel a positive connection or feel talked down to, and determine if this person would bring you value.

The Sterk Financial Team has specialized programs for financial planning and investment management. Call us to learn how we help create financial clarity and confidence.