

A man and a woman are sitting together, looking at a laptop screen. The woman is pointing at the screen, and both are smiling. The background is a blurred interior space with a painting on the wall.

Everyone Should Have a Financial Advisor

There are two schools of thought when it comes to financial planning:

1. Everyone should have a financial advisor, and
2. Everyone should act as a self-directed investor.

If only the latter were possible.

Consider that we're talking about your financial well-being. A skilled financial advisor brings experience and knowledge that most of us just don't have.

Even Financial Advisors Need Financial Advisors

Financial advisors will contend that everyone should know about financial planning and investing. Yet, that is not the same as being your own advisor. Even if you are in the financial field, while you might have some of the tools needed to be a self-directed investor, there is a lot that you won't be able to anticipate and act on. So even financial advisors need financial advisors in the same way that doctors need primary care physicians.

Financial Advisors Improve Money Habits

There are a lot of surveys that try to determine how many people work with financial advisors and how many people have a written long-term financial plan. Sadly, the numbers are discouraging.

According to reports from CNBC, 75% of Americans go it alone, without the help of a financial advisor. Another survey suggests that 60% of Americans live paycheck to paycheck and that only about 25% have a written financial plan.¹

Almost half of the people without a written financial plan believe that they don't have enough money to warrant one. And that couldn't be further from the truth.

A good financial advisor and a written financial plan encourage greater fiscal responsibility and improve money habits – in the same way that good coaches encourage discipline and performance from their players.

Financial Coaching

The plain truth is that too few people plan their finances, and if they had a good advisor, they would be better off. It's true that learning as much as possible about wealth management is a worthy aspiration. But what doesn't follow is the assertion that everyone can go it alone. A lot of folks lack the time, the expertise and the inclination to fly solo on personal finance.

The more you know about your money, the better your decision-making. And your financial advisor will help you with things like:

- The ins and outs of college funding
- Portfolio management
- Investing
- Avoiding scams
- Alternative investments
- Understanding 401(k)s
- Income strategies
- Handling debt
- Picking mutual funds
- Investing in private companies
- Talking about money with your spouse and
- How to prevent emotions from skewing financial decisions

In addition – and maybe more importantly – a good financial advisor can identify areas of concern, especially when it comes to unknowingly taking on too much risk.

With help from a good advisor, you can manage your finances and achieve your goals.

Source

¹ Charles Schwab. "Most Americans Don't Have a Financial Plan, and Many Think Their Wealth Doesn't Deserve One." Available at: <https://pressroom.aboutschwab.com/press-release/schwab-investor-services-news/most-americans-dont-have-financial-plan-and-many-think-t>. Accessed: 6/5/19.

