

Title:

Is an Independent Advisor Right for You?

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353

Summary:

The process of managing personal finances is both time-consuming and complex. According to the 2005 Employee Benefit Research Institute's "Retirement Confidence Survey," 55 percent of workers said they were behind schedule in retirement savings. With so many different companies offering a range of products and services, it's hard to know where to turn for financial advice.

Keywords:

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Article Body:

Are you overwhelmed by retirement planning? If so, you're not alone.

The process of managing personal finances is both time-consuming and complex. According to the 2005 Employee Benefit Research Institute's "Retirement Confidence Survey," 55 percent of workers said they were behind schedule in retirement savings. With so many different companies offering a range of products and services, it's hard to know where to turn for financial advice.

An increasingly popular choice for investors seeking financial advice is to work with an independent advisor. Choosing an independent advisor in your community can give you access to comprehensive and sophisticated financial planning expertise, combined with a personal relationship and individual attention.

Before making the decision, it is important to understand what specific services independent advisors offer and how they can help you achieve your goals.

Independent advisors typically provide a range of financial services that focus on advice, planning and managing of individual portfolios. They work with financial institutions like Schwab Institutional, a division of Charles Schwab & Co. Inc., to house their clients' assets and execute transactions, such as trading stocks and bonds or selecting mutual funds. They usually serve investors who prefer a highly personal approach, want to be included in setting goals and strategy and are comfortable delegating the day-to-day execution of that strategy.

Independent advisors are generally fee-based, which means that their fee is a set percentage of the assets that they are managing for you. This system aligns the advisor's compensation directly with your success. Purely commission-based brokers at local branches of big, national firms, on the other hand, are paid a commission on the products they offer and may be limited to selling their firm's proprietary products.

To help you decide if an independent advisor is the most appropriate financial professional for you, consider the following questions:

- * Is your portfolio becoming too complex or time-consuming to manage on your own?
- * Is your portfolio no longer meeting your goals and objectives?
- * Do you want a disciplined investment plan that is tailored to your individual goals?
- * Do you want to participate in regular meetings with your advisor and delegate most of the day-to-day decisions?