Why your advisor should be your go to person

WELLINGTON FINANCIAL

Executive summary

A recent study, Understanding and Managing the Risks of Retirement, by the Society of Actuaries has shown that only 52% of pre-retirees and only 44% of retirees are consulting a Financial Advisor. That means that roughly half of the population is seeking financial advice outside of a financial professional, whether that be friends, family, colleagues, or Google. We live in a time where we turn to technology for everything. We can quickly search anything we want to know, and as a result, we are inundated with information. When it comes to dealing with our finances, this approach can be confusing and overwhelming. By making your financial advisor your first point of contact, you know that you are being provided with knowledge that is relevant to your financial situation.

What you need to know

Working regularly with your financial advisor can bring incredible value to your financial plan. A study by Morningstar found that investors who consistently work with an advisor generate returns that are 1.82% higher than those who do not. Their research also found that investors that actively seek out advice from their advisor accumulate 29% more wealth for retirement than those investors who do not.

A Financial advisor can provide you with the kind of expertise and guidance you deserve. You work hard for your money, and while seeking advice from the internet or advice from friends can be convenient, you can't always trust that it is accurate or relevant. Every investor has specific needs, and there is no one size fits all when it comes to investing. Inaccurate or irrelevant information can lead you to make costly decisions. By talking to your advisor, they can act as a sounding board for the information you read or hear about. An advisor can offer guidance on whether a new concept or product could benefit your portfolio, or if it's just a trend that offers you no value.

One of the greatest risks to your financial plan is making uninformed decisions during a downturn in the markets. In bearish markets, we are flooded with market information and down-right bad news. Before turning to potentially unreliable sources, consult with your advisor first. Research by the Investment Fund Institute of Canada has shown that individuals who have worked with a financial advisor and have a customized plan are twice as likely to rebalance appropriately during a downturn. Making your advisor you first contact will allow you to filter out the panic and allow you to see the facts, therefore keeping your goals on track!

The bottom line

By getting in the habit of talking to your financial advisor before looking for advice elsewhere, you can reduce the risk of falling prey to inaccurate and irrelevant information. If you trust in the expertise that your advisor can provide, you can reap the benefits of higher returns and higher level of wealth in retirement. In other words, you can reach your financial potential!

For more information contact:

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