

Let's Talk Finances

Getting Good Financial Advice



By Charles Schmalz
President of
East Wisconsin Savings Bank

According to the recently released CNBC and Acorns Invest in You Savings Survey, 75% of U.S. adults manage their own finances and only 17% use a financial advisor. As you might expect, households with income of over \$150,000 per year were more likely to consult with a professional or use a money management app, and those making less than \$50,000 were most likely to admit to not managing their financial future at all. However, it's a misconception that you need a high net worth in order to work with a professional financial advisor. In fact, it's even more important for the average income household to have a pro on their side. Check out these common misunderstandings about getting professional financial advice and how to overcome them.

Only wealthy people have financial advisors.

Achieving financial security requires serious planning, professional help, and strong discipline over a long period of time, no matter what your net worth is. An expert financial planner can help you assess your current situation and help you determine how to reach your goals by building a realistic, comprehensive plan. They can also provide an objective perspective to stressful, emotional decisions, such as what to do with an inheritance. Most importantly, a professional financial advisor will work for you and with you to help you follow your plan by tracking your progress and adjusting your plan if necessary.

You need to know the right questions to ask, and I don't where to start.

You'll start by answering questions, not asking them. A good financial planner will start the relationship by getting to know you and your goals, so they'll be the ones asking questions during your first meeting or two. After that, they will use that profile to guide you in the right direction. The one question you should ask before hiring a financial planner is: How are you paid and what are your fees? Make sure you understand exactly how much you'll be charged for their advice before deciding if that planner is right for you.

Since I'm not an expert, there's no way to know if I'm getting good advice.

It's good to approach financial advice with a healthy level of skepticism, but there are some assurances you can look for to help you verify that your advisor really is working in your best interests. First, check that they are licensed by the State, U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or the Certified Financial Planner Board of Standards, Inc. (CFP Board). You should also verify that your financial planner is acting in an official fiduciary capacity, meaning they are legally obligated to

act in your best interests. The U.S. Department of Labor has a list of questions to ask available on their website.

If you have questions about how to find a financial advisor, talk to your local banker about their financial planning and wealth management services.