

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

advice costs Americans 1 percentage point of their return annually, which amounts to \$17 billion each year.

Nov. 22, 2015

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



Don't be so quick to simply accept what a financial advisor offers for your retirement

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

This year, the [President's Council of Economic Advisers](#) estimated that non-fiduciary advice costs Americans 1 percentage point of their return annually, which amounts to \$17 billion each year.

"But that estimate is probably just the tip of the iceberg, because the consequences of non-optimal advice for retirement planning are hard to quantify," says Casey B. Weade, a retirement-planning professional and author of the book "The Purpose-Based Retirement" (www.thepurposebasedretirement.com).

"Let's be clear: There is no silver bullet when it comes to retirement planning. Each individual and family requires a tailored plan based on their wealth, needs and goals. However, an advisor who is professionally required to meet your best interest, and not a minimal one, is a good place to start."

Weade says the single-most important factor in keeping one's retirement money safe is having the involvement a *third-party custodian*, an entity independent of an individual's financial planner.

"I've dealt with dozens of cases in which people had been scammed, and each one lacked a third-party custodian," he says.

He reviews the role of these custodians and the associated multiple benefits.

- **Third-party custodians:** Bernie Madoff is arguably the most villainous name today in finances. He's currently serving a 150-year sentence for scheming billions of dollars from his high-wealth clients in a Ponzi scheme. He was able to get away with it by acting as his own custodian, a financial institution that holds customers' securities for safekeeping so as to minimize the risk of their theft or loss. Custodians tend to be large reputable firms because of the high volume of money they deal with. Always make sure that your financial advisor is not the same as your custodian.

- **Reduced opportunity:** When your advisor uses a custodian, he or she will never

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

matching technology. The decision process is very sophisticated and does not rely on the quick glance of a human eye to determine if the signature presented doesn't match previous signatures on file.

- **Insurance:** Custodians carry large insurance policies – both liability insurance to protect against errors and omissions, in case unauthorized transactions occur, SIPC insurance for undirected transactions, and FDIC coverage for cash positions.
- **Duplicate statements:** While your advisors may send you a summary of investments from time to time, you should receive a summary of your investments directly from the firm where your assets are held. Otherwise, unscrupulous and criminal advisors like Madoff may scheme by generating their own fraudulent statements and send them to you.

Casey B. Weade is president of Howard Bailey Financial Inc. in Indiana and author of the book "The Purpose-Based Retirement" (www.thepurposebasedretirement.com). Weade, a retirement-planning professional, hosts Purpose-Based Retirement radio and TV shows in the Fort Wayne area. Weade graduated from Stetson University with a bachelor's degree in Finance and as a member of the honorary finance fraternity Beta Alpha Psi. He earned the prestigious CERTIFIED FINANCIAL PLANNER™ (CFP®) certification in addition to being a Retirement Income Certified Professional® (RICP®). He is also an Investment Advisor Representative (IAR), as well as life, accident and health insurance licensed and Long-Term Care Certified.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us