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Financial products and services can be complicated, which is one reason some people choose to hire a financial advisor. But those complexities are also sometimes at the root of why people fire their advisors. Poor communication from advisor to client can prolong the client's lack of understanding and lead to poor results.

Before an investor considers working with an financial advisor, it's important to vet the advisor and make sure he or she will communicate consistently and take the time to explain the many details that go into the overall planning, says Andy Moore

Moore says consumers should consider these fundamental factors when looking for a financial advisor who can help them clearly understand their products and advice:

- **A true fiduciary's priorities.** A fiduciary financial advisor has a legal obligation to act in the client's best interest. Moore says that definition should mean that an advisor looks at a person's entire financial situation and explores all the possible solutions to solve the pain points in the financial plan. "But in reality," he says, "many advisors only focus on stocks, bonds and other similar stock market investments. These advisors are not true fiduciaries, and most disregard other asset classes because they cannot charge a fee to their clients for certain products."

Specifically, Moore says advisors should prioritize explaining concepts inside the financial plan such as mitigating sequence of returns risk, planning for longevity, various income sources and adjusting for potential higher taxes in the future. "These are concepts that consumers may not understand but deserve to be informed about," Moore says. "If advisors only focus on the management of the portfolio and not the holistic financial plan, the client is getting short-changed when it comes to their overall financial health."

- **Life insurance.** Moore notes that while most consumers already have insurance like homeowners or auto insurance, almost 50% are either uninsured or underinsured when it comes to life insurance. "Yet many advisors don't even mention the importance of protecting your family's finances against potential death or disability that can completely derail a financial plan," he says. "This is a simple concept and important to everyone. Financial advisors owe it to their clients to talk about insurance-based solutions as a critical part of the overall financial plan."
- **Risk management in retirement planning.** "In my experience, more than 90% of advisors are focused solely on accumulation," Moore says. "They know very little about the protection and distribution of assets during a client's investment life

> cycle, especially during retirement. Clients expect more, especially higher net

> followed by one of the fastest stock market rises in history. Since 2009, investing has been easy as stocks have continually hit new all-time highs. Common sense and history tell us this won’t last forever, and advisors need to prepare their clients.”

Therefore, Moore says advisors need to communicate with their clients about diversification. They need to consider asset classes that are not correlated with the stock and bond market. “And when they get close to and reach retirement age,” he adds, “advisors need to be able to create income streams for their clients that won’t be wiped out by market losses.”

“Financial advisors are important in helping people develop and navigate a plan,” Moore says. “Knowing what to look for in an advisor can save people time, headaches and money.”

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Andy Moore (https://thequantum.com/) is vice president of advanced planning and portfolio solutions at The Quantum Group, LLC. He is a former advisor and portfolio manager for one of the nation’s largest wirehouses.

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