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[« back to archive list «](#)

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When should I hire a financial advisor, and how do I find one?

Shirley M. Mueller:

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An adviser can help you invest. However, most often money managers are only able to outperform the market for a short period of time--sustaining that success is almost impossible. This is called reversion to the mean, common in all disciplines. Some managers acknowledge this and sell their services to clients by suggesting that they can save them money in other ways, such as by doing a financial plan, helping with estate planning, insurance issues, etc. Whether or not these extra services are worth the money management fee is something only you can decide.

Older people with substantial assets receive more benefit from the comprehensive package than younger [persons] just starting out. On the other hand, the financial planning can be accomplished for a fixed fee and the suggestions can be acted upon individually at any age. This saves money, but it requires effort.

Pro: A professional portfolio and wealth management plan is obtained. Suggestions on estate planning, insurance and other issues [such a plan] may be beneficial.

Con: The cost is high and the long-term gain on the portfolio is not likely to be above market.