



4 Uses of an Advisor

What is the value of a financial advisor? The personal touch. Here are four stories of how flesh-and-blood advisors you meet in person (that's opposed to a robo-advisor, where your contact is digital or over a phone line) benefited their clients.

These good advisors helped clients to overcome emotionally based decisions, stop them from making mistakes, figure out whether to make a big purchase and decipher arcane retirement plans. We'll have separate articles throughout the summer describing in greater detail how they helped their clients.

Planning is so very vital for your future. According to a study by insurer Northwestern Mutual, a large majority (72%) of U.S. adults believes that the economy will suffer future crises. But two-thirds of them don't have a financial plan. Plans are not static. Once you have a plan in hand, ongoing contact with your advisor is vital to make the plan work.

In our four cases, the advisor:

Prevented an emotional decision. A client of Nicholas Atkeson and Andrew Houghton, the founding partners of Delta Investment Management in San Francisco, feared that the stock market was getting too

frothy recently and it was time to sell. No one can predict the market, and the wisest course is to have a well-diversified portfolio that you stay true to through good and bad times. There is room for rebalancing, certainly, but panicked decisions are almost always bad ones.

"Our role as financial advisors is to gently guide the client back on the road to smart portfolio management," Atkeson and Houghton write. "The best deed we have done for a client is simply telling him it is a bad idea to be ruled by emotions." The client relented from this ill-chosen decision.

Headed off an investment mistake. It's amazing how often you come across seemingly great investment opportunities. Guess what? They are traps. Karl Schwartz, an advisor with Hewins Financial Advisors in Miami, notes that a client knew "a guy" who could get him into a sure-fire money-making investment, a South African gold mine. Trouble is, there is no such thing as a sure-fire investment. Schwartz managed to convince his client, through patient persuasion, that this great plan simply was not a good one.

Investment advisory services offered through Laurel Wealth Advisors, Inc., a Registered Investment Advisor. Securities offered through Charles Schwab & Co., Inc. Member FINRA/SIPC. The information on this website has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority; registration as an Investment Advisor does not imply a certain level of skill or training. Please refer to "Important Disclosures & Disclaimers" for additional details. Four C Financial offers some securities through M.S. Howells & Co. Member FINRA/SIPC. M.S. Howells & Co. is not affiliated with Four C Financial.



fourCfinancial.com

When you hear about such bonanzas, Schwartz reports, “you cringe, as you know right away it’s a bad idea for the client.” Gold did well after the financial crisis but has lagged lately. It defines volatile.

Helped make a big purchasing decision. The question of whether to buy or rent is a major item in people’s lives. For many, their home is their largest asset. John C. Fales, lead advisor Allos Investment Advisors, which has offices in Phoenix and Overland Park, Kan., had a client who inherited some money and wanted to know how best to deploy it. He could buy a home for \$150,000, or over the next 25 years, could pay out \$300,000 in rent.

Fales did the math and figured out that, in this instance, it made more sense to buy. The client likely would have money left over to put into other investments, which would not be so if he were shelling out for rent over the next quarter-century.

Decoded abstruse pension details. A knotty problem confronted a client of Adam D. Koos, founder and president of Libertas Wealth Management Group, in Columbus Ohio. The client, a fireman, had previously been a police officer for eight years. When he quit the force, he collected his pension money as a lump sum. Now in his 50s, he wondered if he could buy back those eight years and thus boost his pension in the state-run pension fund for cops and firefighters.

Koos crunched the numbers and discovered that, for \$80,000, the client could buy back the lost time and end up with a pension worth \$500,000. As Koos puts it, this gives his client the “confidence that he and his wife will be able to retire on time and spend their later years doing what they enjoy.”

This person-to-person advice is invaluable.

Investment advisory services offered through Laurel Wealth Advisors, Inc., a Registered Investment Advisor. Securities offered through Charles Schwab & Co., Inc. Member FINRA/SIPC. The information on this website has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority; registration as an Investment Advisor does not imply a certain level of skill or training. Please refer to “Important Disclosures & Disclaimers” for additional details. Four C Financial offers some securities through M.S. Howells & Co. Member FINRA/SIPC. M.S. Howells & Co. is not affiliated with Four C Financial.



fourCfinancial.com