



First Ascent Asset Management

The Value of a Good Financial Advisor

In earlier lessons I have suggested that you might consider consulting a financial advisor to help you with investment-related questions. In this lesson I would like to talk directly about the services that a good financial advisor can provide and the value of those services.

If you already work with a financial advisor, you probably have a good idea of what they do. But you still may not understand the value of what they do. If you have never worked with an advisor, what they do and the value of their services may be a complete mystery to you.

We are going to talk a lot in subsequent lessons about the different types of financial advisors that exist in the world, the regulations that apply to them and how you might go about finding a good one if you are not already working with one. But in this lesson we are just going to talk about what a good financial advisor can bring to the table.

As I mentioned in a previous lesson, a financial advisor can be invaluable in helping you identify and prioritize your financial goals and objectives. This is the starting place for all successful investment programs and a good advisor can get you off on the right foot.

Goal setting may sound like a simple task, but most of us have multiple goals and some of them may not be very well defined. They may even conflict with each other. Advisors can bring clarity and organization to this process.

Once goals are established, an advisor can develop a financial plan to help you move forward toward those goals. The plan may address investments, but it may also address estate planning, taxes, insurance, retirement planning and other issues related to your financial situation. Not all advisors provide help in all of these areas—many have areas of focus or special expertise. But they all can offer help in the technical areas that most non-professionals just don't have.

In the course of the planning process an advisor can help you understand and come to grips with your attitudes toward money, risk and the financial markets. This can help you establish the mental frame of reference necessary to be a successful investor and identify obstacles you may need to overcome in the process. So a good advisor can be a little like a counselor.

A good advisor also serves as an ongoing source of information and perspective. Most of us are not trained or mentally wired to be good investors. We are inclined to be overly exuberant when markets are good and overly fearful when they are not. Advisors are there to answer

questions, provide guidance and help us make rational long-term decisions when our natural inclinations would lead us in other directions. So advisors help us stay on track.

Even when markets are calm a good advisor can help you develop the habits and basic behaviors of successful investors. They can hold you accountable for being a good saver and a wise spender. They can help you avoid the basic mistakes that undermine long-term success. They can help you screen out the noise and stay focused on the things that are important.

Each advisor approaches their task in their own unique way. But the good ones bring a combination of technical skills and ongoing guidance that can bring the confidence and peace of mind that is valuable to an investor trying to build long-term financial security. And they know you and your situation. They can help as your needs change over time.

So the take-aways from today's lesson are:

A good financial advisor can:

- help with goals setting
- develop a comprehensive plan
- serve as a counselor, guide and source of ongoing information and advice
- work with you as your needs change over time