

How a Fiduciary Advisor Earns Their Fee

By Joshua M. Brown at TheReformedBroker.com

Josh Brown is the CEO of Ritholtz Wealth Management, member of CNBC's Financial Advisor Council, on-air contributor to CNBC and host of The Halftime Report, Author and featured contributor for Fortune, Forbes, the Wall Street Journal, MarketWatch, Dow Jones Newswires, Bloomberg, Reuters, CNNMoney, CNBC, the New York Post, Investment News, Registered Rep, Financial Planning, Fortune, RIA Biz, Business Insider, American Public Media, NPR, TheStreet.com, the Washington Post, Barron's and the New York Times.



If your advisor is charging you a 1% fee on your assets and not doing the below, it is time for you to find another advisor. While asset allocation has become a commodity-like business, comprehensive, holistic financial planning is worth its weight in gold to an investor.

Here is a guide to what real financial planners do to earn their keep. They:

- Explain the exact nature of their relationship with you, especially how they are paid;
- Gather comprehensive data on every aspect of your financial life;
- Analyze your finances and make conflict-free recommendations;
- Implement and monitor your plan;
- Meet with you on a regular basis;
- Guide you on ways to minimize your tax bill through your investments and charitable endeavors;
- Give you advice on the best strategies to efficiently fund your children's college educations;
- Create a plan to maximize your retirement income by coordinating your Social Security benefits with your spouse's benefits and any pensions, given your expected retirement date;
- Assist you in navigating the complicated process of choosing the right Medicare options;
- Show a willingness to meet with your accountant/estate lawyer and be the quarterback of your wealth team;
- Educate you so you know exactly what you are investing in and why;
- Follow a repeatable evidence-based investment process that ignores short-term outcomes, which are usually based on luck;
- Apply authentic risk management strategies that have high probabilities of being successful;
- Establish a succession plan so you will not be left in the dark in case of the unexpected;
- Examine all of your insurance needs and help you get the policy you need, not the one that pays them the highest commission;
- Manage your behavior and keep you from acting impulsively;
- Integrate your 401(k)/403(b) plans along with your directly-managed investments, under one big umbrella;
- Develop criteria for their ideal client and are willing to tell you that you might not fit into it;
- Make sure their company is organized with set divisions of labor so they can focus on meeting your needs and not performing administrative duties;
- Communicate with you in the way you are most comfortable; in person, on-line or some combination;
- Keep you focused on the things you can control; and,
- Treat you as a human being and not a revenue generator.

Advisory services are offered through Horizon Financial Services, LLC, an SEC Registered Investment Advisor. Insurance products and services are offered through New Horizon Financial Services, Inc., an affiliated company. Horizon Financial Services, LLC and New Horizon Financial Services, Inc. are not affiliated with or endorsed by the Social Security Administration or any government agency.