

## The 6 Times You Really Need a Financial Adviser



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For many people, the thought of going to see a financial planner is like going to the dentist. They know it's something they *should* do – but fearing an unpleasant experience, they put it off.

Just 28 percent of people have met with a professional financial adviser or used an online planning tool, according to a recent survey of 1,000 American households by the [Consumer Federation of America](#) (CFA). That's partly because middle- and lower-income households may think there's not much professional advisers can do for people with few assets, say some planners.

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"Many consumers believe you have to have a lot of money to get advice – but sometimes it makes sense to get advice in order to make a plan for the money you have," says Eleanor Blayney, president of Directions for Women and a consumer advocate for the professional Certified Financial Planner Board.

Creating a comprehensive financial plan (with or without professional help) can make a huge difference in consumers' confidence in their own money management abilities. The CFA study found that 53 percent of consumers with a comprehensive financial plan felt very confident about managing their money, compared to just 26 percent of non-planners.

While high net worth families often hire an adviser to provide ongoing advice and guidance, others may be fine with seeing a planner on an hourly basis to create a blueprint they can implement on their own. Generally, the more financial services a firm offers, the higher the fee – and unfortunately, those with the smallest portfolios have the fewest options when it comes to finding a financial adviser.

You should look for an adviser who has experience working with consumers with similar situations to your own. If you're dealing with elderly parents, saving for college, or need an estate plan, look for a planner who specializes in that.

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Increasingly, you may be able to find such advice for free at work. That's because 43 percent of companies now offer employees one-on-one investment advice, while 53 percent provide retirement planning advice, [according to the Society of Human Resource Management](#). If your company doesn't have this benefit, you can find an hourly financial planner via the [Garrett Planning Network](#), or the [National Association of Personal Financial Advisers](#).

Here are six times when you may need professional help with your finances

#### 1. You have a new job,

Young professionals without a strong [financial literacy education](#) may benefit from meeting with an adviser once they start their new job. An adviser can help figure out the best way to invest in a 401(k) and take full advantage of other workplace benefits. Plus, they'll help set up a personal budget, devise a strategy for paying down student debt, and create a plan for medium-term goals, such as buying a house.

## **2. Your marital or family status changes.**

If you're getting married or divorced, an adviser can serve as an impartial third party to help you successfully merge or untangle financial accounts and reconcile any differences in your saving and spending habits.

Meeting with a financial planner may be even more important for those shifting from being married to being single, either because of divorce or the death of a spouse. "If one spouse is more actively involved with the finances and that spouse passes away, the survivor will be in need of financial guidance," says Matt Camrud, a CFP with Seattle-based Brighton Jones.

If you have children, planning for their future – everything from college to weddings to setting up trust funds for the grandkids—are goals that should be shared with your advisor.

## **3. You've come into a windfall.**

Any time you receive a large sum of money – due to an inheritance, the sale of a business, or some other significant event – it's worth consulting a professional on how best to manage that money to offset taxes and allocate it in a manner that best furthers your financial goals.

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## **4. You're worrying about the market's volatility.**

A financial adviser can help you make rational financial decisions without letting emotion cloud your judgment. Especially in times of market volatility and economic uncertainty, individual investors are vulnerable to making knee-jerk decisions that can have long-term implications. "You tend to be a lot more emotional when it comes to your own money," says Chris DeGrace, a first vice president with SunTrust Private Wealth Management. "Part of an adviser's job is to manage that emotion, knowing it's normal for the market to go through ups and downs."

## **5. You're 10 years or less away from retirement.**

Just 37 percent of baby boomers are confident in their financial preparations for retirement, according to an April study by [the Insured Retirement Institute](#). Financial advisers can help you realistically figure out how much you need to save for retirement and what adjustments you might need to make if you're unable to meet that goal. More than 70 percent of boomers working with an adviser have determined a retirement savings goal, compared to just 31 percent of those not working with an adviser, according to IRI.

## **6. You just retired.**

After spending decades of your life building up a nest egg to retire, you now need a strategy to draw down your funds in a way that insures you won't outlive your money. "You need to make sure that asset base is sustainable over the long term, and structured in a way that will protect near-term cash needs," Camrud says.



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