

FINANCIAL PLANNING

Find a fiduciary who will act in your best interest

When you consult a doctor about your health, you expect to get advice based on your circumstances — age, personal and family medical history and your specific circumstances.

You should expect similar advice from your financial adviser about how to invest for your retirement — personal and family “financial” history, when you expect to retire, your age and your specific circumstances.

But that’s not what happens.

A “financial adviser” in most cases is just a salesperson — and in some instances, they give investment advice based on incentives their brokerage firm or bank give them that aren’t necessarily good for you: investment products filled with excessive costs, poor performance and unnecessary risks.

On April 10, a U.S. Department of Labor “Fiduciary Duty Rule” was to go into effect. The rule would require financial advisers to give advice based on what was in the best interests for their

clients, not themselves.

This is just common sense, right?

Well, it looks like the rule will not only be delayed, but likely killed altogether. The same people who brought you the mortgage crisis, “too big to fail” and the 2008 Great Recession are pressuring Labor.

That is really bad news, because investors who unknowingly rely on biased salespeople as if they were trusted advisers can suffer real financial harm.

The White House Council of Economic Advisers estimates that Americans lose \$17 billion a year to investments not in their “best interests.” On average, over the course of their savings, workers lose 17 percent of their retirement money because of “conflicted advice” from financial advisers.

Based on the Colorado State Demography Office, Colorado had the third-fastest-growing 65-and-older population in the nation from 2010 to 2015, with a rate of 29 percent. The more

money Coloradans put into retirement means fewer retirees depending on public assistance programs.

For example, stories I hear most often are similar to that of Thomas and Suzy: married, mid-50s, and have 401(k) accounts and individual retirement accounts. They had a broker for 25 years who they assumed was giving them good retirement investment advice. Finally, Thomas realized they weren’t necessarily being “taken to the cleaners,” but their investments were seriously underperforming the market. They were sold a variable annuity with high fees, a separately managed account and were given frequent recommendations to buy or sell stocks (more fees), while tax implications were ignored.

Thomas finally dropped that sales broker and moved their investments to a financial fiduciary. He estimates their retirement savings would be 25 to 35 percent larger if they had switched to a financial fiduciary 10 years earlier.

I care deeply about this issue. Investors need to trust the advice of a financial adviser and know that adviser is working for them, similar to a CPA. I am a financial adviser who decided long ago that my client’s best interest was the only way to build a financial advisory firm. I believe the fiduciary duty rule is good business, good for our community and good for your future.

If you believe this too, please tell the Department of Labor at www.dol.gov/ProtectYourSavings/.

How do you find a financial fiduciary?

First, you want to make sure the professional does financial planning. Go to plannersearch.org, affiliated with Financial Planning Association (FPA), which provides professional development and practice management support to certified financial planners (CFPs) and financial planning professionals.

Second, the National Association of Personal Financial Advi-

sors (NAPFA.org) is the country’s leading professional association of fee-only financial advisers, which indicates they practice as a financial fiduciary.

Third, confirm the potential adviser acts as a fiduciary. Ask them to sign a fiduciary oath, promising that they will act as your fiduciary. If you have an adviser and they are not a financial fiduciary, I suggest you fire your adviser and find someone who will work for YOU.

Also, go to WealthLegacyInstitute.com to get your free fiduciary oath to have your financial adviser sign. This way you absolutely know the advice you receive is in your best interests.



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