

4 SIGNS YOU'VE OUTGROWN YOUR INVESTMENT ADVISOR

A lifestyle change is just one reason to review your relationship.



By: Debbie Carlson - June 28, 2018

A relationship with a financial advisor is very personal—after all, your advisor knows a lot about you.

But there comes a time when you might be ready to work with someone else as your circumstances evolve. It may be hard to see those signs initially, and because of the personal relationship with the advisor, you may put it off switching as long as possible.

But if your personal situation has changed, whether your portfolio has grown, you've gotten married or divorced, have kids or are near retirement, it's time to think about what your advisor can – or cannot – do for you. Breaking up is hard to do, as Neil Sedaka sang in the 1960s and 70s, but be aware of these signs that you've outgrown your investment advisor.

You need more help. Brokers can offer investment services, but that's about all. If your circumstances have changed to where you need more than just investment advice, it's time to switch, says Barry Bigelow, lead advisor of the Great Waters Financial branch in Duluth, Minnesota.

A financial professional who only offers investment services “could be a sign that you have a broker who is working on a suitability standard and not necessarily a financial advisor who's going to work out a plan for you,” he says. “There are a lot of things being with a financial advisor can do to add value that have nothing to do with the investments, whether that's helping with tax planning, helping with the estate planning or (other advice).”

Andy Schuler, senior vice president and investment managing director at PNC Wealth Management in Philadelphia, says if your circumstances have evolved to where you need comprehensive planning, you'll need to find an advisor who has the resources to support you.

If you've only used your advisor for investing, ask specific questions about his or her experience in other

areas and the resources he or she has for needs like saving for college or retirement, he says. They should answer those questions for you.

Eric Kearney, an investment advisor for Retirement Wealth Advisors in Cape Coral, Florida, says some advisors might not be aware of all the planning options available and that's another reason to switch.

“If you're never offered any new ideas or strategies, such as lowering your taxes, reducing your mortgage payment or a long-term care alternative, that means your current advisor is probably stale, and they're not interested in offering you proactive types of service,” Kearney says. “There's no one-size-fits-all investment advisor when they can come from different fields – [certified professional accountants], insurance agents, financial planners and attorneys. Each has different areas of focus.”

To find out more about what your advisor can do, ask him or her about what other capabilities he or she may have outside of traditional portfolio asset allocation, he says.

You (or your spouse) have changed jobs. For people who have been in the military, or may work for a federal or state government, such as police officers or teachers, their financial circumstances may be different than someone who's only worked in the private sector, says Galen Bargerstock, president and founder of Government & Civil Employee Services in Indiana, Pennsylvania.

Advisors who focus on a specific field may have more detailed information about what financial opportunities teachers, police officers or other government workers might have, and because the advisor specialized in this area, he or she might more easily handle challenges that may arise.

Little communication. Bigelow says financial advisors should help clients put together a plan and that plan should be updated probably at least quarterly, if not at least twice a year.

“We invite our clients to come in four times a year and we're the ones initiating that,” he says.

Kearney says a financial advisor who isn't in touch with clients might not have the right technology in place to reach out easily, which leads to inconsistent contact.

“There are a lot of people, even with multimillion-dollar accounts, who think, ‘Maybe my account is just not big enough for my advisor to pay attention to me,’” Kearney says. “That's usually not true. It's just a matter of the advisor not having the right systems in place. It's important to for an advisor to have a team with a point-of-contact person whom the investor can reach any time.”

You're wealthier now. Many financial advisors will specialize with clients who have a certain amount of assets, the advisors say. Schuler says if your portfolio is bigger, it may be time to review if you still fit the profile of their typical client.

Bigelow says his firm works with people whose portfolios range from \$500,000 to \$10 million and will suggest people who have greater assets go elsewhere.

Kearney says portfolios should change as someone's wealth changes, and that includes how an advisor gets paid. “It's important that you know how your advisor is getting paid and whether that structure gives them the incentive to do a good job,” he says.

He says it's not uncommon for portfolios to remain the same, even though the person has accumulated more wealth.

“The advisor is using the same approach over and over again,” Kearney says. “So by the time the client explores a second opinion, they can see they should have graduated from this very simple portfolio hundreds of thousands of dollars ago. That's usually when they realize they're in a fee-ridden portfolio.”

Galen Bargerstock, president of Government & Civil Employee Services, LLC (GCES), is concentrated on navigating federal and state employees through financial and retirement planning. Galen holds a Pennsylvania Life, Health and Annuity License, as well as Series 6 and 63 licenses.

To contact Galen, call 800-985-3272 or visit gces.us.

Securities offered and sold through CoreCap Investments, Inc., a registered broker/dealer and member FINRA/SIPC. Government & Civil Employee Services, LLC (GCES) and CoreCap are separate and unaffiliated entities.

