

Finding Financial Advice You Can Trust

It's difficult to know what you should do with your money in any market. But, it's particularly hard during times when the investment markets are embroiled in volatility. You need the help of a trained investment professional who can offer unbiased financial advice. The problem is that some advisors charge a fee for their advice while others charge a commission on the investment vehicles they recommend. Who can you trust? Is the "fee for advice" model better than paying a commission? Below, we'll compare the two models and help you find the financial advice you need.

Financial Advisors: Fee Vs. Commission Proponents of fee-based financial advice claim that there's less likelihood of bias in an advisor's recommendations if that advisor is not receiving a commission. Commission-based financial advisors argue that fee-based advice can make it difficult for investors with limited funds to invest if they're forced to pay hefty fees upfront. When taxes are considered, the line between fee-based and commission-based financial advice blurs even more. The current tax system can make commission-based advice seem more cost-effective in some circumstances (for example, those involving investments into pension products).

Who Can You Trust? Most consumers are best-suited for making long-term investments (as opposed to trading frequently). Given this, the true cost of both fee-based and commission-based advice tends to decline each year a particular investment vehicle is held in a portfolio. It's important to note that though there are pros and cons inherent with both types of advisory compensation (fee vs. commission), there are talented advisors who use both models. The key is finding a financial advisor you can trust. This should be largely based upon the advisor's performance for other clients.

Financial Advice You Can Live With The battle between fee-based and commission-based financial advice will continue to rage. But, the amount of savings earned or lost due to the method of compensation is less important than finding an advisor whom you trust to act in your best interests. Over the course of many years, developing a professional relationship with a trusted financial advisor is worth far more. That person can provide you with advice that will shape the course of your life and that of your family. Worry less about whether paying a fee or a commission for the advice is the best route. Instead, find the advisor who best suits your needs.

About the Author

Written on behalf of [Independent Financial Advice](#)

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