

## Why You Need Independent Financial Advice

You'll discover that many financial advisers are not independent. Instead, they're paid to promote certain types of investment vehicles to their customers (many of which may not be suited for them). In this article, you'll learn why you need independent financial advice and how it can affect your future.

### The Benefit Of Unbiased Advice

The main problem of hiring a financial adviser who isn't independent is that they're bound to a small group of companies and their respective products. That severely limits your choices. For example, assume you wanted to buy a mutual fund. There are thousands available. Some are much better than others. Some have higher upfront commissions that you'll need to pay. An adviser hired by a few companies to promote their products may encourage you to invest in a mutual fund that isn't appropriate for you. They receive a commission based on the sale. As such, they're inherently biased. An independent financial adviser isn't bound by those limitations. He can select from the entire marketplace for a suitable mutual fund for you. Because he's typically compensated by receiving a fee (as opposed to a commission), he's unlikely to lure you into a investment vehicle that isn't suitable. His primary concern is to pick the mutual fund (in this example) that offers the best performance for your risk tolerance level.

### Why Independent Financial Advice Is Critical

At first, these small investment decisions may seem to have a negligible effect. However, their long-term, cumulative effect can actually devastate your portfolio. Over time, the higher-than-necessary commissions you'll pay and the lacklustre performance of the investment vehicles promoted can cause your portfolio to stagnate. Even worse, the value of your investment portfolio can erode due to inflation. When you're ready to seek the guidance of an investment professional, look for someone who can give you independent financial advice. It could literally save you tens of thousands of dollars over the long run.

## About the Author

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