Should You Hire a Financial Planner?

ON our back page this month, we've shared readers' responses to the question of whether they work with a financial adviser and the reasons they've taken their chosen path. The comments run the gamut, from those of you who have enlisted a pro to benefit from their expertise—and their ability to help navigate the emotional side of managing money—to those of you who have proudly taken care of your own finances for decades, building multimillion-dollar portfolios and retiring comfortably. (Many of you gave Kiplinger a nod for providing guidance as you developed your wealth-building prowess. We're glad to play a part!)

If you're thinking about whether hiring a financial adviser makes sense for you, keep in mind that it isn't necessarily an all-or-nothing decision. Traditionally, clients hand over management of their investments to an adviser and work with them on an ongoing basis, paying a percentage of assets managed. This is still the predominant model, with 86% of advisory firms charging clients primarily by assets under management, according to research from Kitces.com, a resource for financial advisers. Many advisory firms also require a client's portfolio to be a certain size—say, $250,000 or more.

But increasingly, other fee structures are entering the mix, opening the door for a client to hire an adviser on an as-needed basis, without meeting certain asset minimums. According to Kitces.com, 42% of advisory firms offer clients the option to pay by the hour or by the project. If you feel that you're doing a good job of overseeing your finances on your own but would like to consult an adviser to see where there's room for improvement, for example, paying a planner for a few hours of their time could be worthwhile. Or you may want to check in with an adviser during big life transitions or financial events—say, when you get married, have children, change jobs, receive an inheritance or retire. Another possibility: Pay a pro a flat fee to create a comprehensive financial plan, which you can manage on your own going forward. When you have a question or want help revising your plan, you can go back for a review.

All of the advisers in the Garrett Planning Network offer clients the option to pay by the hour. Garrett planners also operate on a fee-only basis, meaning that they're paid only by their clients—they don't earn commissions from selling financial products or accept other outside compensation. You can search for a planner by location or specialty at *garrettplanningnetwork.com*.

Members of the XY Planning Network are also fee-only, and they must offer planning services without mandating a minimum asset level. They may have a flat fee, charge by the hour, ask for a retainer or use a subscription model. Members provide their services virtually, too. Search for an adviser at *connect.xyplanningnetwork.com/find-an-advisor*.

A rising star. On the topic of financial planning, Rishi Vamdatt, a teen we featured in our January 2024 issue for his kid-focused personal finance website, Easy Peasy Finance, recently passed the rigorous exam that certified financial planners must take to earn the CFP credential. At age 16, he's believed to be the youngest person to reach that milestone. And earlier this year, the legislature for his home state of New Jersey recognized his efforts to promote financial literacy with a joint legislative resolution. To read our 2024 interview with him, go to *kiplinger.com/kpf/young-cfp*. And you can see a CBS New York feature about him at *tinyurl.com/azvp33j2*. ■

Working with an adviser isn't necessarily an all-or-nothing decision. Many advisory firms let you pay by the hour or by the project.

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PHOTO BY MATT STANLEY

Your Turn

Readers share their insights and advice.

If you work with a financial adviser, how have they helped you? If not, how do you manage your money?

For most of my career, I managed my investment portfolio myself. However, I finally concluded that advisers have access to more data, financial technology, knowledge and time than I do. In the first year, my adviser increased my portfolio's value by more than the cost of their services.
A.S., Peachtree Corners, Ga.

When my husband of many years passed away, I had major financial, estate and other issues to deal with. In addition to being knowledgeable and personable, the adviser I found offered to go with me to my appointment with an estate attorney. Her kindness and personal touch provided me peace of mind during a difficult time.
Cindy Stillings, New Port Richey, Fla.

I thought we'd never find a fee-based retirement adviser who would communicate well with both me (analytical) and my spouse (creative). However, ours took the time to understand our different goals and preferences and complimented what we had done on our own, then identified some blind spots and approaches we hadn't considered. They more than earned their fee and our trust.
J.T., Madison, Wis.

I managed our investments for over 40 years. Now that I am in my seventies, I have relinquished some of that responsibility to an adviser. At first, it was hard giving up some control. But now I have more time to enjoy the things that bring me happiness.
D.D., Fairbanks, Alaska

We were able to retire early in part because I'm a risk-taker at heart. While we were still working, I made some big, timely bets during COVID—investing in companies like Netflix, Zoom, Docusign and Moderna—that paid off. But once the paychecks stopped, I knew I needed to protect myself from myself. I moved most of my assets to a financial adviser and kept about 10% in a separate brokerage account as my "mad money." It gives me the best of both worlds: discipline and professional management for most of my portfolio, while still letting me have some fun.
J.P., Lawrence, Kan.

I am 88 years old and have never used a financial adviser. I never tried to time the market, and I never sold anything just because of the direction of the market. I have twice as much invested now as I did when I retired 30 years ago.
F.B., Monroe, Ohio

After losing a lot of retirement savings in the Great Recession, I kicked the financial advisers to the curb. I got a subscription to *Kiplinger Personal Finance*, read it every month and acted on your advice. We rebuilt our savings with a very conservative strategy and are on track for a comfortable retirement.
Bill Chalmers, Katy, Texas

I manage our investments with three tools: Steele Mutual Fund Expert, Portfolio Visualizer and MaxiFi Planner. I do it myself because I want control, and if mistakes are made, I'd rather blame myself than someone else. Also, I enjoy doing it.
Brooks Rimes, Fort Mill, S.C.

I do not work with an adviser. I stay current by reading *Kiplinger* and other materials, I favor low-fee mutual funds and exchange-traded funds that follow the S&P 500, I dollar-cost average monthly, and I never time the market. I do not work in finance, and I am not an entrepreneur—I am a 63-year-old woman and decamillionaire who works a regular job. You can do it, too!
Susan R., Pearl River, N.Y.

ANSWER OUR NEXT QUESTION:

→ What's the best investment you've ever made?

Send an e-mail to yourturn@futurenet.com with your response, which we may publish on this page in a future issue. Please include your name (initials will be used on request) as well as your city and state. Responses may be edited for clarity and space.

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