

Good Advice



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In today's climate of [one-page financial plans](#), [bargain-basement fund pricing](#) and [automated investment tools](#), you may wonder whether you still need a living, breathing financial adviser.

You do.

But with a twist. First, we need to redefine traditional financial advice – the kind that's been delivered by those focused on issuing buy/sell recommendations, executing transactions and collecting their commissions. If that's what you're thinking of, you are correct. You don't need that. You probably never did.

But as we face a year that is kicking off with a series of sickening market swings, the welcome advances we referenced above are best thought of as augmenting rather than replacing the solid advice most investors still sorely need to see their way through to the other side of a rough ride.

So, what is "good advice"?

Good advice is timeless ... and timely. At its essence, good financial advice never goes out of style. Its principles are permanent: It should be brave and true, and meant for you. At the same time, good advice must remain relevant in an ever-changing world. Your adviser should be able to help you embrace promising new opportunities and insights, while avoiding the false leads and frightening challenges that are as formidable as ever in today's markets.

Good advice looks at the parts ... and the whole. Good financial advice helps you manage your investment portfolio for preserving or increasing your wealth according to your goals. It also helps you plan, implement and manage your myriad related interests: taxes, insurance policies, estate planning paperwork, philanthropic pursuits, executive compensation, real estate holdings, business activities and more. Beyond that, what *are* your goals? How can we relate your total wealth to your relationships, resources and realities? Good financial advice should bring a unifying whole to your multifaceted parts.

Good advice is personalized ... and persistent. Good financial advice is essential for making good decisions – not just in general, but for you: *your* money, *your* interests, *your* life. It's about being in a relationship with an adviser who is there for you, not only during the promising planning stages when everything makes sense, but when your resolve is being sorely tested in turbulent markets. Or when your own life's events have knocked you off-course. Good advice helps you find your way when you've been sideswiped by the unexpected.

Good advice is wise ... and compassionate. Good financial advice is grounded in enduring academic evidence, structured process and informed experience. But for all that, financial advice is nothing if it fails to contribute to that which brings joy to your life, to help you protect the ones you love, and to reassure you in times of trouble. For this, a good adviser must not only advise you; he or she must listen to you. This brings us to our most important point.

Good advice is in your highest financial interests, period. Above all, good advice should *always* and *only* be in your highest financial interest, even when it means the adviser must take a hit to deliver it. This is where things get particularly confusing. Around the world, various advocates (including ourselves) are pressing for legislation to govern best-interest advice. Such efforts are unfailingly met with resistance from those who would undermine this sensible ideal. As a result, the financial advice you choose to use will probably always call for a “buyer beware” perspective. As Vanguard Group founder [John Bogle has wryly observed](#), “There are few regulations that smart, motivated targets cannot evade.”

We wish it weren't so. That which best serves investors ultimately best serves their financial advisers as well, so we would warmly welcome a world where good advice reigns supreme. Until then, we hope you'll be open to good advice when you hear it – the kind that sees you through turbulent times, onward to your relevant financial and life goals. If this advice sounds a little different from the status-quo stock tips or market-timing tactics you may be used to hearing, that's because it is.