



Checking out your financial adviser can help you avoid a money meltdown, says Flint Journal guest writer

Posted by David Boike | Guest writer May 26, 2009 08:01AM

[If You Ask Me](#) is a regular guest columnist feature in The Flint Journal's opinion pages.

The more news we hear about our country's current economic environment, the more apparent it becomes that this is not just a temporary crisis. The stock market is down 50 percent in the past year, equating to volatility that has not been experienced since the Great Depression, and proposed unprecedented spending by our new administration may push us further into this seemingly unending economic recession. Countless individuals and families have lost their hard-earned savings due to poor financial advice and investments and others even falling victim to financial predators.

Our Flint Township-based firm recently came across one of the worst cases of investment advice ever seen. A retired Traverse City doctor was referred to us. Ten years ago when he initially retired, he had more than \$2 million in his retirement savings accounts. The doctor and his wife bought a condominium in Florida and needed approximately \$5,000 per month to cover their mortgage and living expenses. His adviser at that time told him that he could safely begin withdrawing 3 percent per month to cover these costs. Meanwhile, the adviser recommended the doctor invest his accounts aggressively to "stay ahead of taxes and inflation." As of Jan. 31, the doctor's total account value was worth less than \$150,000, leaving him to wonder how to pay the mortgage in just two years.

Actively planning for the future is crucial in times of economic turbulence, especially with regard to our finances. Do your homework, talk to friends and family, become informed and make smart decisions today to protect your quality of life for tomorrow. Consult a professional to guide you through the process.

But who can you trust? Below are tips for finding the right professional to assist you in your financial and retirement planning efforts:

- **Work with experience.** You don't necessarily want someone just starting out in the business handling your money, especially during tough economic times. A qualified and experienced professional knows the law, advanced planning strategies and has a proven track record for success. A new adviser often makes beginner mistakes, and those missives are often unfortunately at the expense of the clients.
- **Research their records.** Check their history and pay close attention to any "black marks," complaints and unresolved issues. We had two women come into our office a year ago who were working with an adviser in our area who was convicted of stealing money from his clients. Each woman lost more than \$100,000 as a result of the adviser's unethical practices. A great resource for checking a financial professional's record is [BrokerCheck.com](#). Additionally, you can look into third-party endorsements such as the National Ethics Bureau, which requires its members to pass a seven-year comprehensive background check, at [EthicsCheck.com](#) or by calling (800) 282-1831.
- **Check their credentials.** What licenses do they have? Did they really attend that school or earn that designation? Are they licensed to represent you and your best interests? Be sure they are honest and committed to improving your financial situation.
- **Ask to speak with their current clients.** Be sure to ask questions regarding the length of time they've been working with the financial professional, the amount of communication they receive, the amount of transparency in recommendations

Checking out your financial adviser can help you avoid a money meltdown, says Flint Journal guest writer... they receive, their overall experience and so on.

- Make sure their car is not their office. You want to make sure your financial professional won't be here today and gone tomorrow. Visit their office and staff to make sure they can accommodate your planning needs today and throughout retirement.

Don't let today's crisis be tomorrow's problem. Avoid a potential financial meltdown and make the decision to get involved with your finances.

David Boike runs Retirement Resources, a Flint Township-based financial consulting company.

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