

Who Is Your Financial Planner?

by Cullen Douglass, CFP®

As I've interviewed prospective clients over the past 27 years, I always ask, "Who is your planner?" I get several different answers to this question. Sometimes I hear that it's their CPA; sometimes I hear it's their life insurance advisor, their banker or their attorney. But usually I hear it's the person that manages their money. I think over the last 20 to 25 years, the investment world has convinced us, through marketing and advertising, that whoever manages your money is your financial planner.



Managing your money is very important and we take it very seriously, but I think this is just a piece of your financial plan. We find that almost everyone has built a silo approach. They start and buy one product from one person, then they go get something done by another person and so on and so on. It's like they started with a one-bedroom house and as they grew financially and had a family, they kept adding bedrooms but haven't really re-designed their plan and what it looks like — they've just added to it. When you discuss further who their planner is, I tell them that they are their own planner because they are the only ones who know where all those silos are. No one else other than them has a holistic perspective of their entire financial picture.

Once, we had a successful prospective client come into the office. He was in his second marriage and had children from a previous marriage. I still remember his wife came up to me after a meeting and said, "Thank you," which was very gracious. But as I asked her why she was thanking me, I began to realize that she had put all the faith in her husband; she didn't want to fire her financial planner — her husband. At the end of the day, no one was looking at it from a third-party perspective, and she was relying solely on him. And even though she had full confidence in his ability, he was not a paid professional planner.

I've heard it said that doing your own financial plan is like giving yourself your own physical. It's hard to hold a mirror to yourself and look at your finances objectively. Most financial decisions are emotional decisions, but sometimes emotion needs to be removed from financial planning. The example I tell people is when the markets are down people don't open their investment statements because they don't want to see the negative results. However, that's the exact time you need to open your financial statements and adjust your plan. The most important decisions are made at critical times when things aren't working as anticipated.

Sometimes it's hard to let go of the decisions you make because ego is involved. I think the hardest part for successful business owners, entrepreneurs, executives and people, is to build trust and let go of some control. But at the end of the day, if you work with a Certified Financial Planner™ professional, the worst thing that will happen is that they do an audit of your situation and you realize your financial health is exactly where you thought it was and should be.

Currently, in the United States, there are more than 70,000 Certified Financial Planners. The fiduciary standard CFPs live by doesn't guarantee your success or happiness or future results. But hopefully you can rest assured that a professional will put your interests first, ahead of their own. Look up a Certified Financial Planner™ professional and don't take matters into your own hands.

Zulz, E. (2016, September 06). Number of Active CFP Professionals Reaches All-Time High. Retrieved July 2, 2018, from <https://www.thinkadvisor.com/2016/09/06/number-of-active-cfp-professionals-reaches-all-tim/?slreturn=20180626123929>

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