



# How to Pay a Planner?

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When shopping for a financial planner or advisor, there is no one size fits all. There are many ways to pay for a planner's services. These are the most common ways to pay a planner:

## 1. Hourly:

This is a bill for hours spent working for you. The advantage of this is that you don't have to worry they're only recommending a product or service to get compensated. The disadvantage is when they aren't focused on you and billing you, they aren't working for you. If you call them, the clock starts running. If the market tanks, are they going to be working on your behalf?

## 2. Commissions:

A financial company will pay an advisor when they sell you one of the company's products. The advantage to you is that you don't directly pay the advisor for his or her services. The disadvantage is that the advisor or planner may have higher incentives to sell you one product or another.

## 3. Fees on Assets:

Fees on assets tend to fall into two categories. The first is a simple, flat fee. The second is a fee that varies based on assets under management. The advantage of a fee for assets under management is that it incentivizes your advisor to grow your assets, which is in alignment with your objectives. The disadvantage is your long-term costs will probably be higher than a commission-based fee as your assets grow.

At the end of the day, which situation is right for you based on your circumstances could vary. Find a CERTIFIED FINANCIAL PLANNER™ professional who can work in your best interest and help you create a consolidated financial plan to bring you to your objectives.

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