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Shopping for a retirement plan

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Over the last couple months, we discussed that the biggest retirement mistake is failing to have a plan. Then we covered 3 of the 4 most common options for putting a plan together:

- Do it yourself
- Work with a stockbroker
- Work with an insurance agent

Now let's look at the fourth option: working with an independent financial planner. While I personally fit this category, I can admit that working with an independent planner isn't necessarily perfect. So let's take a look at the good and the bad.

What stands out the most are the benefits of working with someone that is truly independent. Your financial planner should be working for YOU! If your planner is independent, then that can

be the case. Some brokerage firms can force their 'advisors' to meet sales quotas, have stocks they are pushing, or have a list of preferred mutual fund companies they are strongly recommended to suggest. How can your advisor work for you in those types of situations?

Other advisors may have restrictions on which companies they can or cannot work with. Some advisors can only work with a small group of companies (or even one!) available to them. Not only could this severely limit your investment and planning options, but it is completely unnecessary! A truly independent advisor can help you work with a virtually unlimited number of companies, plans, and savings and investment vehicles.

So what are some of the downsides to using an inde-

pendent planner? 2 come to mind immediately. The first occurs when you're working with a planner out of a smaller office like mine. This has been voiced to me a number of times this way: "What happens if you get hit by a bus??" While we usually have a good laugh about this, I understand the concern. When you're working with an independent planner, it's often a small office with only 1 or 2 advisors. So you'll want to know if something happens to your advisor, what happens then?

The second concern is related: if your planner is out of town at a conference or vacation and you have an emergency, what happens? Most big insurance companies and brokerage firms have either other advisors that can assist you. What is the independent planners approach? For example, in our office, my office manag-

er is prepared for just about any immediate problems our clients might have; and thankfully, if she needs to reach me, today's technology usually makes that very easy.

The most important thing to remember is this simple truth: if you fail to plan, then you are planning to fail. Determine which option is right for you, and make sure you have a plan for your financial success!

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