

Do I Need a Financial Advisor if I'm Not Rich?

By Christopher P. ALLEGRETTI
Financial Advisor


PEOPLE WHO HAVE DECIDED TO START SAVING for retirement often don't think they earn enough to justify a financial advisor. In fact, the opposite is true. The best time — maybe the most important time — to start a relationship with a financial advisor is early in your career. In fact, you can hardly afford *not* to work with an advisor.

As one of my fellow HBKS® advisors, Dean Piccirillo, puts it, "Our job as advisors is to make sure that our clients don't wake up one day 10 feet from the falls and about to go over." The best way to avoid getting to retirement age without sufficient savings is to start planning early.

A professional financial advisor returns a great deal more than what they cost in fees. For one, they help you save on taxes. And they can help you avoid many common investment mistakes. People become enamored with a particular stock or listen to a "hot tip" from a friend. But investing in individual stocks successfully requires research, including examining the fundamentals of those companies. Most people don't have that information — or the time to investigate. These hot tips could cost you a lot of cold cash. Instead of individual stocks, for most people, we recommend funds overseen by fund managers with long records of success. Diversification is a key element in a soundly constructed portfolio and funds provide greater diversification than buying individual stocks.

Another common mistake is trying to time the markets. While day-trading might sound exciting, most successful investors spread their purchases out over time and hold them long term. America's savviest investor, Warren Buffet, has famously admitted that his Berkshire Hathaway fund would be ahead of where it is today had they stuck with their initial investments.

As independent financial advisors, we have access to the full range of investment products. We're not limited, or incentivized, to sell a particular branded group of funds. We have the resources and expertise to help you identify and buy best-in-class funds. A financial advisor will allocate your investments to the classes and categories that best suit where you are in life and your goals.



The best way to avoid getting to retirement age without sufficient savings is to start planning early.

A financial advisor can help you avoid many common investing mistakes.

Your advisor not only will provide direction on your investments, but also can help you identify the best ways to save. Like deciding between a traditional IRA, which may be appropriate for a high-income earner who wants the tax deferral, and a Roth IRA that you contribute after-tax dollars to.

A financial advisor will help you set your financial goals, then determine how much you can save toward those goals. He or she will help you establish a budget — what you need to live on — and from that determine how much you can save. As your income grows, your advisor will help you determine how much to increase the amount you save. As the complexity of your finances and needs grow, your financial advisor will work alongside you, adjusting your plan and considering other strategies that you may need to implement to achieve your goals.

Of course, it's a good start to put enough into an employer-sponsored 401(k) to get the full match. But it's not likely enough to reach your retirement goals. You don't want to just throw money into a retirement plan without an end game. You want to know what you want to spend in retirement, then back your way into how much you need to save to have that money.

Most people don't have the time or resources to plan for their retirement. One study showed that Americans spend more time planning their vacations than their finances. Your financial future can benefit greatly by professional support, and that's where your advisor comes in to play. Most importantly, your financial advisor will help you get a plan in place, help you lay out your road map and stay on course to where you want to go.

IMPORTANT DISCLOSURES

The information included in this document is for general, informational purposes only. It does not contain any investment advice and does not address any individual facts and circumstances. As such, it cannot be relied on as providing any investment advice. If you would like investment advice regarding your specific facts and circumstances, please contact a qualified financial advisor.

Any investment involves some degree of risk, and different types of investments involve varying degrees of risk, including loss of principal. It should not be assumed that future performance of any specific investment, strategy or allocation (including those recommended by HBKS® Wealth Advisors) will be profitable or equal the corresponding indicated or intended results or performance level(s).

Past performance of any security, indices, strategy or allocation may not be indicative of future results.

The historical and current information as to rules, laws, guidelines or benefits contained in this document is a summary of information obtained from or prepared by other sources. It has not been independently verified, but was obtained from sources believed to be reliable. HBKS® Wealth Advisors does not guarantee the accuracy of this information and does not assume liability for any errors in information obtained from or prepared by these other sources.

HBKS® Wealth Advisors is not a legal or accounting firm, and does not render legal, accounting or tax advice. You should contact an attorney or CPA if you wish to receive legal, accounting or tax advice.



Christopher P. Allegretti

Financial Advisor, HBKS® Wealth Advisors

Christopher P. Allegretti is a Financial Advisor in the HBKS Wealth Advisors office in Erie, Pa. He specializes in developing financial plans for clients that help them achieve their current financial objectives as they save for a secure and fulfilling retirement. You can reach Chris at (814) 459-1116 or by email at cpallegretti@hbkswealth.com

Investment Advisory Services offered through HBK Sorce Advisory LLC, doing business as HBKS® Wealth Advisors, an SEC registered advisory firm. Not FDIC Insured — Not Bank Guaranteed — May Lose Value, Including Loss of Principal — Not Insured By Any State or Federal Agency.