Do I Need a Financial Advisor?

BAINBRIDGE COMMUNITY FOUNDATION

PAUL MERRIMAN
APRIL 1

Top ten financial mistakes by seniors
What are the most important financial decisions made transitioning from work to retirement? How much risk should a retiree have in their portfolio? Paul Merriman will tackle these and other important financial issues. This event will be hosted by the Bainbridge Island Senior/Community Center.
APRIL 14

The inside story about ESG Investing?

In this presentation, financial experts Larry Swedroe and Sam Adams highlight the various forms of sustainable investing and how they impact you as an investor.
What’s new for social security 2022?
How can an individual or couple maximize Social Security benefits? How much should young people plan on future Social Security payments? What is the best Social Security claiming strategy? Mary Beth Franklin, award-winning journalist and Certified Financial Planner, will discuss these topics.
OUR MISSION

The Merriman Financial Education Foundation believes “knowledge is power” and is dedicated to providing comprehensive financial education to investors at all stages of life, with information and tools to make informed decisions in their own best interest and successfully implement their retirement savings program.
First Time Investor: Grow and Protect Your Money

An easy, essential read for getting started as a long-term investor. Get the steps necessary to build and maintain a successful investment portfolio. You’ll learn exactly what to do to set and meet your financial goals — from the day you start saving and investing for your future, and for the rest of your lifetime. If you invest wisely, you may be able to retire while your friends are still chained to their jobs.

In this book, I give you the steps necessary to build and maintain a successful investment portfolio. You’ll learn exactly what to do to meet your financial goals — from the day you start saving and investing for your future, and for the rest of your lifetime. If you invest wisely, you may be able to retire while your friends are still chained to their jobs.

Whether you're starting out or starting over, this book is for you. You may be 23 and just landed your first job, or you're 40 and decided to finally get serious about investing, but If you follow the advice you find here, you will have a high probability of being financially independent when your working years are over.
101 Investment Decisions Guaranteed to Change Your Financial Future

Learn how every investment decision you make has the potential to add $1,000, $10,000, $100,000 or more to your wealth.

101 Investment Decisions Guaranteed To Change Your Financial Future is the workbook for savvy investors at all stages of life! Learn how every investment decision you make has the potential to add $1,000, $10,000, $100,000 or more to your wealth. Together, this can mean millions of extra dollars for you and your family over the years. In his information rich, pull-no-punches style, Paul Merriman explains the decisions to be made and the impact of each on your financial future, so you can easily prioritize and make the best financial choices to meet your goals. It’s your future… choose wisely.
Get Smart or Get Screwed: How To Select The Best and Get The Most From Your Financial Advisor

Understand about the variety of financial brokers and advisors, and the services they can — and should — offer.

*GET SMART or GET SCREWED: How To Select The Best and Get The Most From Your Financial Advisor* gives you insights into the variety of financial brokers and advisors, and the services they can — and should — offer.

It includes extensive lists of questions you should ask and services you should receive from an advisor, and reasons why the brokerage industry is not serving your best interests.

To ensure that you “Get Smart,” Paul helps you understand how to find and work with competent and ethical advisors, firms and products. Getting the best and most from your advisor will save you time, grow your money, and give you peace of mind. Whether you are a first-time or savvy investor, you will learn new ways to avoid the plethora of pitfalls many investors encounter.
Published December 2020, this concise book is intended for young and first-time investors to learn why and how to make a handful of smart choices that can turn modest regular savings into a secure future.

You’ll discover “12 Small Steps with Big Payoffs,” each of which can add $1 million or more to your retirement nest egg if you start in your 20s or 30s.

Click for a free copy of We’re Talking Millions!
2-Funds for Life: a quest for simple and effective investing strategies

Simplify investing & simplify life. If you want to know WHY 2-Funds-for-Life strategies increase likely lifetime returns by 25% to more than 130%, and what you need to do to reap those benefits? Then this deep-dive owner’s manual is for you!

We’re all wired to invest for the future, but when it comes to personal finance few of us know how. How much should I save? How much risk can I take? How does risk tolerance change with age? How can I get the most while risking the least? How complex does it have to be? Could I really do everything I need with just two funds?

2-Funds for Life is a quest to answer these questions and show definitively that simple approaches can match, beat, or even trounce more complex ones.
What are your financial objectives?

- Ensure retirement income
- Reduce the burden of taxes
- Reduce the effects of inflation
- Create and preserve personal wealth
- Increase wealth transfer
- Establish charitable legacies
- Reduce the risk of financially devastating events
- Foster peace of mind through proper planning today
#1 Decision: Who Will You Trust?

- Wall Street
- Main Street
- University Street
Which Quote Do You Believe?

- "The only person you can trust is you"
- “A man who is his own lawyer has a fool for a client”
The Payoff for Finding the Best Information

- Make more money
- Retire early
- Spend more in retirement
- Leave more to others
- More peace of mind
## Impact of 1.0% increase in return over a lifetime

<table>
<thead>
<tr>
<th>$5,000 Initial Annual Contribution</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of Return during Accumulation</td>
<td>8.00%</td>
<td>9.00%</td>
</tr>
<tr>
<td>Rate of Return during Distribution</td>
<td>6.00%</td>
<td>7.00%</td>
</tr>
<tr>
<td>Total Age 21 to 66 Contributions (NO annual increase)</td>
<td>$230,000</td>
<td>$230,000</td>
</tr>
<tr>
<td>Portfolio Value @ Age 67 (Start Retirement)</td>
<td>$2,259,501</td>
<td>$3,129,314</td>
</tr>
<tr>
<td>Portfolio Value @ Age 97 (End Retirement)</td>
<td>$3,813,515</td>
<td>$7,000,023</td>
</tr>
<tr>
<td>Total Withdrawals - 4% of Port Value / Yr (Age 67 to 97)</td>
<td>$3,531,850</td>
<td>$5,692,219</td>
</tr>
<tr>
<td>Total Return (Withdrawals + Final Value)</td>
<td>$7,345,365</td>
<td>$12,692,241</td>
</tr>
</tbody>
</table>

Additional lifetime benefit of 1.00% increase in return: $5,346,876
<table>
<thead>
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<td>Rate of Return during Distribution</td>
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<tr>
<td>Total Age 21 to 66 Contributions (3% annual increase)</td>
</tr>
<tr>
<td>Portfolio Value @ Age 67 (Start Retirement)</td>
</tr>
<tr>
<td>Portfolio Value @ Age 97 (End Retirement)</td>
</tr>
<tr>
<td>Total Withdrawals - 4% of Port Value / Yr (Age 67 to 97)</td>
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<tr>
<td>Total Return (Withdrawals + Final Value)</td>
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<tr>
<td>Additional lifetime benefit of 1.00% increase in return:</td>
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</tbody>
</table>
What We Want In Any Advisor

- Incompetent and Unethical
- Incompetent and Ethical
- Competent and Unethical
- Competent and Ethical
DIY Investing vs. Hiring an Advisor

- Investing never been easier or as efficient
- Can you afford the time to get an education?
- Can you afford the time to manage the investments?
- Can you deal with the emotional hurdles of investing?
DIY Financial Planning vs. Hiring an Advisor

- More than investing
- Needs, wants and wishes
- Educational funding
- Tax Planning
- Estate Planning
- Insurance
- Helping children
- Referring to other professionals
- Help stay the course
Professional Designations

- 219 planning designations
- Certified Financial Planner (CFP)
- Chartered Financial Consultant (ChFC)
- Chartered Financial Analyst (CFA)
- Certified Public Accountant/Personal Financial Specialist (CPA/PFS)
How Advisors Get Paid

- Commission
- % of assets
- Commission plus % of assets
- Hourly
- Project
- Retainer
- Flat fee
- % of profits plus % of assets
DIY + Hourly

- Lowest long term cost of professional help
- Investor responsible for implementation
- Know when to ask for help
- Not paid to address emotional hurdles
- Hard to find and qualify
- Hard to replace
The Perfect Hourly Advisor

- SEC registered
- Fiduciary
- Certified Financial Planner
- Sells no products
- Does not manage money
- Does not revenue share
- Only offers hourly advice
How to Find Hourly Advice

- Garrettplanningnetwork.com
- Adviceonlyfinancial.com
- Napfa.org
- CPA with PFS designation
Washington State Hourly Advisors

Lisa Weil lisa@claritynorthwest.com
Tom Nowak info@quantumfinancialplanning.com
Tim Massie tim@timepiecefp.com
Katy Cook katy@abacusfinplan.com
Trish Howe trish@howefinancialadvisory.com
Sample Financial Plans

Buckingham
Merriman
Pure Financial Advisors
Vestory
ROBO Advice

- Low cost
- Automated
- Automatic tax optimization
- Low minimum
- Questionnaire
- Multiple levels of risk
ROBO Advisor Ratings

• What Is a Robo-Advisor and Is One Right for You?
• Who are the robo advisors you can trust?
Target Date Funds

- Universal ROBO Advisor
- Target date fund plus small cap value
Every Investor Should Spend A Year With An Advisor
Books & Articles

- Do It Yourself or Hire an Advisor
- Finding and Hiring the Right Advisor
- Your Complete Guide to a Successful and Secure Retirement
- How to Find Advice Only
- Get Smart or Get Screwed
Free Investment and Financial Planning Advice

- Thebalance.com
- Morningstar.com (Benz and Rekenthaler)
- Whitecoatinvestor.com (Jim Dahle)
- Awealthofcommonsense.com (Ben Carlson)
- Paulmerriman.com
Sound Investing For Every Stage of Life

The Merriman Financial Education Foundation
Thank you.

If you have any questions, please email Paul@paulmerriman.com

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