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# Financial Resilience Requires a Professional: Now More Than Ever Investors Are Seeking Independent Advice from Financial Advisors

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SAN DIEGO, Dec 12, 2008 /PRNewswire via COMTEX/ -- In the wake of the global financial crisis, U.S. consumer confidence, the fuel of our nation's economic machine, plunged to an all-time, 41-year low last month. According to the Conference Board, in spite of falling gasoline prices, the October consumer confidence index fell to 38 to rest at a significantly lower point than the expected October reading of 52. What does that tell us? According to John Jenkins, President of Asset Preservation Strategies, "Fearful consumers are not convinced that Washington's bailout efforts are enough to put the economy back on track. In fact, rather than wait for the effects of Washington's policies to trickle down to their pocketbooks, I believe that many do-it-yourself investors in need of more immediate help are seeking the advice of a professional financial advisor."

"Acting as a personal chief financial officer, an advisor can help investors take a therapeutic, big picture view of finances," says Jenkins. "The market is down and volatility likely will continue, but an advisor can listen to an investor's fears and develop and implement a plan to help withstand the downturn and even help take advantage of opportunities that are available under current conditions."

The most comprehensive financial advisors begin by assessing every aspect of an investor's financial life, including savings, investments, insurance, taxes, as well as long-term retirement and estate planning goals. Most importantly, a financial advisor helps develop a personal plan that's informed by both short- and long-term goals, risk tolerance, and investment horizon. In addition to regular meetings to discuss strategies, review progress, and possible portfolio changes, many advisors collaborate with other professionals such as CPAs and attorneys to ensure everyone is working cohesively to meet goals. Studies show that investors who have a financial plan and meet regularly with their financial advisors are less likely to panic and pull out of the market at the wrong time.

In a wise risk-controlling move, the recent downfall of high-flying Wall Street institutions has many former do-it-yourselfers looking for an "independent" financial advisor who is not affiliated with a major national wirehouse. While the names of the major wirehouses are recognizable from their television commercials, it's important to note that they may make money in ways other than providing financial advice to investors. For example, they may work on Initial Public Offerings (IPOs). Accordingly, they have IPO stocks on their books and the more they and their sales reps sell, the more money they make. When working with a financial advisor who is a registered representative of an Independent broker dealer, the advisor may not be entangled in market activities that could lead to conflicts of interest.

What's more, financial consultants tied to contained broker dealers typically have to choose only from investments and products approved by (and often manufactured by) the parent company. While these proprietary products can present a conflict of interest, more significantly, the wirehouses' small product universe increases investment risk. "Particularly in this challenging investment environment," Jenkins asks rhetorically, "why would an investor want to limit investment choices?"

Increasingly, investors are turning to professional advisors who, because they work with an independent broker dealer, can review a much broader range of investment options to select and recommend the investments that, in their professional judgment, will best fit personal needs, not sales quotas.

"By working with an independent firm, I can provide fair and objective advice to clients without the undue pressure of sales goals or proprietary product restrictions," says Jenkins. "In the end, I can keep my clients' financial goals at the center of the financial planning and investing process."

Keep in mind that most advisors subscribe to the foundational advice of spreading assets among stocks (large- and small-cap, growth and value, domestic and international), bonds and cash to control risk, and keeping at least six months of income in a liquid, interest-bearing account in order to manage unemployment or unplanned expenses. "I believe something that distinguishes an advisor in this difficult market, is his or her ability not only to protect an investor's assets, but to identify opportunities in the down market," says Jenkins. "For example, an investor might discuss selling off investments where there has been a loss to offset portfolio gains elsewhere or converting a traditional IRA to a Roth IRA while values are down."

The bottom line is investors should want to work with an independent, professional advisor who is committed to spending the time it takes to fully understand personal goals, hopes, and fears, and to develop a financial plan and investment strategy that will enable those goals to be met no matter what life or the stock market brings.

Today's economic realities have shaken most investors and the reassurance of working with a professional could be an important first step in helping ensure a smoother ride through the market's ups and downs.

#### **About John Jenkins and Asset Preservation Strategies, Inc.**

John Jenkins is president and founder of San Diego-based Asset Preservation Strategies, Inc., which provides a team of financial professionals collaborating to address all of the elements of successful wealth management. He has conducted numerous financial planning workshops during his career and has been a guest on the PBS show "The Money Makers" and its successor, "The Financial Advisors," as well as the syndicated news magazine show "Heartbeat of the City." Jenkins has also authored and co-authored several financial planning books and publications. He is frequently quoted in the financial press, including Financial Planning News, The San Diego Union-Tribune, the La Jolla Light and the San Diego Business Journal. He has been named for three years in a row as a 5 Star, Best in Client Satisfaction Wealth Manager by San Diego Magazine based on surveys of more than 30,000 clients of wealth managers and data from more than 4,000 financial service professionals. Learn more at <http://www.asset-preservation.com>

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*Written by John Jenkins, Securities America, Inc. Registered Representative, with industry journalist, Marie Swift, President of Impact Communications.*