

Investors Voting With Their Feet

I was so pleased to read about investors withdrawing their assets from their wealth management firms in today's Wall Street Journal.

The old model is broken. It's based on getting as many assets under management as possible and charging fees based on the amount of those assets. What's more, many firms accept commissions and other fees on financial products they recommend.

That's just wrong. Too much temptation to recommend one product that has juicy commissions that may not be the best or most cost-effective for the investor, aka you or me.

And, I probably don't have to remind you of the disgusting fraud schemes devised and perpetuated by these same wealth management firms that have damaged so many lives over the past year.

So, what is one to do?

Get smart.

If you need an advisor, find one that works on a fee-only basis and has a fiduciary responsibility to you. That means they must put your best interests first and that they don't work for any commissions.

Take the time to learn investing basics and the power of low cost investing and proper asset allocation.

Read other articles on my blog and the rest of my site...and (yes, a shameless plug) perhaps pick up a copy of the 10 Minute Investing System.

As always, I welcome your comments and suggestions.