

What Is a Financial Adviser & What Do They Do?

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Are financial advisers worth it? Deciding whether to get a financial adviser or manage your own investments is a big decision. Not everyone needs an ongoing relationship with a financial planner or adviser.

Financial advisers are professionals who can help you plan and manage bigger financial decisions. Financial advice can be useful at turning points in your life, like when you're starting a family, being retrenched, planning for retirement or managing an inheritance.



When you meet with an adviser for the first time, it's important to work out what ***you want to get from the advice***. An adviser should take the time to discuss what's important to you and ask about your short- and long-term goals before they make any recommendations. We have curated a short list of why you should consider using a Financial Adviser.

Reasons why you should consider using a Financial Adviser.

1. Helping you set and achieve your goals

Giving an adviser accurate information about your situation allows them to tailor the advice to best meet your goals and objectives, for example, you may want to:

- Retire by age 65 with the lifestyle you're currently used to
- Save for your children's education while at the same time, pay off your mortgage by a certain year
- Have enough assets and insurance so that your family is financially protected in case you aren't able to work
- Make sure your investment strategies are more tax effective
- Take control of your investments and super so you can create wealth according to own preferences
- Understand if you're on track to reach your financial objectives, and see if you need to make some adjustment

By giving your financial adviser information about your financial situation will allow you to get an accurate picture of your financial health.

When you meet with a financial adviser you will be asked to provide the following information about you:

- personal situation: such as your age, where you work and whether you're in a relationship
- financials: what you own, what you owe, sources of income, and ongoing and planned expenses
- insurance policies like life and medical cover
- estate plans, such as a will or power of attorney

2. Save time and money when researching

There is abundant investment information on the Internet, but too much information is not necessarily a good thing. How do you determine what information is good? Do you have the time or the background knowledge to sift through this vast amount of material?

A good financial adviser can do all the heavy lifting for you, so you can spend more time doing what is most important to you—living life. Working with a financial adviser can help assist you to find which financial strategies are appropriate for you. A trusted adviser can advise you on the strategies that suit your circumstances, reduce financial stress and drive you toward those goals.

3. Accountability & Trustworthy Advice

How many times have you planned with the intention of sticking to it, but then failed to follow through? It is much easier to lose momentum when you are doing something complicated by yourself. It is therefore beneficial to have an impartial third party available to hold you

accountable. Your finances are no exception. A trusted financial adviser can be that impartial third party you need to help you stay on track.

One of the biggest concerns people mention about financial advisers is trust. The strategy and investments chosen for you are less important than the trust you share. It's trust that ensures you provide all the information the adviser needs to make the right recommendations. Trust that ensures you can stick with a long-term strategy even when the short-term market moves are unfavourable.

4. Preparing a Financial Plan that works for you – What you need to know

A financial planner at your first meeting should discuss how they work with you to develop your Personalised Financial Plan. If you do meet with a financial adviser, you should clarify the following to know what your adviser is offering

At the first meeting make sure you discuss:

- the scope of the advice (what is and isn't included)
- the cost and your options for paying
- what information they'll give you and how often
- when they'll consult you and when they'll need your permission?
- how they are able to manage your accounts and strategies
- how often you'll meet to review your financial plan's progress

An adviser will seek to understand how much risk you're prepared to accept to reach your goals. This will help them recommend suitable investments for you. Ask the adviser to explain anything you don't understand. You should always feel comfortable with your adviser and their advice.

Once you've agreed to go ahead, your financial adviser will prepare a financial plan for you. This will be presented to you at another meeting in a document called a Statement of Advice (SOA). Only when you comfortably understand and agree with the advice and associated risks, you can choose to proceed with some or all of the recommendations.

5. Tax Planning

One of the most important (and often overlooked) factors in successful investing is proper tax planning. A financial adviser can structure your investments in appropriate ways so that is more tax effective. They can also guide you through complex tax strategies that you should not attempt on your own. Trusted advisers will also help you minimise tax. Choosing a financial adviser who works closely with your accountant is a distinct advantage as your accountant can liaise with your financial adviser to provide updated financial information.

6. Market Experience

Often many people who have initially attempted to create their own financial plans reach out to financial advisers, when things have gone wrong. Experience really is the best teacher. A good financial adviser has weathered the ups and downs of the market and other various investment vehicles, time and time again. They have also seen people who go it alone.

An experienced adviser will be able to discuss your wishes and provide insight and guidance that you simply cannot get when you go it alone. Relying on a trusted financial adviser can also help you avoid generalised investment advice and schemes that may not fit your specific needs.

7. Understanding Market Fluctuations and Regulatory Changes

A financial adviser can also be highly skilled when it comes to addressing market fluctuations and regulatory changes that can affect your long-term financial strategies. Thus, they can be well-equipped with the tools and strategies you need to keep your strategy on track. It is not feasible to try to time the market, and a good adviser will remind you that jumping in and out of the market is extremely risky. Historically, most who attempt to time the market will miss the high points, thus receiving a reduced return on their investments.

Part of a professional financial adviser's role is to constantly keep abreast of market and regulatory changes. A trusted adviser will help you stay up to speed on market conditions so you can make better decisions. Regulatory changes include Government's ongoing amendments to already complicated superannuation laws.

Your financial adviser can address how regulatory changes such as these can affect your situation and strategies, and provide personal recommendations to take full advantage of them.

Speak to our office today if you wish to discuss whether you can benefit from engaging a financial adviser.

BOOK YOUR COMPLIMENTARY CONSULTATION NOW – We offer a 15-minute free consultation to discuss your tax, property investment and business needs.

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