

### **Why Re-search for your financial planner?** Winning at the Great Retirement Game Means Lowering Risks. Tuesday, February 16, 2010

The world today is a lot like a commercial airplane. It is complex, constantly moving and it has a lot of moving parts. Sooner or later things will go wrong. It's not the event itself that should concern us, but more importantly, it's how we respond to it that is crucial to the outcome. When Captain Chesley Sullenberger, aka, "Sully", guided his multi-ton airship for a safe landing in the Hudson River on January 15<sup>th</sup>, 2009 he demonstrated that his response was probably much different than more than 99% of people, and thus, had a different outcome than one that might have been expected. That's exactly why people hire professionals; they desire to lower their risks and get the best outcome.

When I get on an airplane, I am essentially hiring a pilot. I am counting on his or her skills to get me safely to my destination. The outcome, my life, is in his or her hands. I don't look for a pilot who is famous, or one who flies the biggest airplane. I look for the one who can fly the airplane I am a passenger on really, really well. How? Simply by knowing the pilot's credentials and understanding what they mean. I also know the safety rules and I make sure they are followed.

Choosing a financial planner is a lot like getting on an airplane. It means entrusting your life's outcome to someone you probably don't know all that well. Assuming that the planner is a certified and licensed as a Certified Financial Planner®, both are highly regulated and trained professionals capable of handling usual and unusual conditions, and of course, emergencies. Interestingly, our selection process with our lives and our money is similar with a twist. With pilots, we assume that the airline (company) has fully complied with all federal aviation regulations, or FARs. We trust this oversight so much that we do not even check the minimum requirements. In fact, we don't even know the name of the pilot before boarding. Now how do we choose financial planners?

If we chose pilots like we currently chose people to manage our finances, they would have to have a very, very, big airplane, be famous, and have passed few if any tests of their skills as a professional pilot. They would have designations following their names that have little to do with being qualified to get us safely to our destinations. There are people sitting in the financial planner seat, looking a lot like a financial planner professional who range from under qualified all the way down the continuum to people like Bernie Madoff who are only interested in getting our money. They are often pretenders and often work for branded companies with big ships called assets under management, AUM. Further, lots of people get on for the ride! That really

impresses us. That's where the stampede goes, but where's the beef?

With these three criteria met, fame, size and a crowd pleaser, we jump on board for the ride. When our ship hits turbulence and cockpit needles trend to extremes the pretenders push the wrong buttons and we crash; we find our finances strewn like airplane parts across scorched terrain. This is what happened in Buffalo with Colgan Air flight 3407 on February 12, 2009, a Continental contracted regional carrier. Experienced and properly trained pilots could and would have prevented the stall that led to the crash and tragic deaths of scores of people by following normal and emergency procedures. In the financial world, there are millions of people holding tickets to a destination called retirement who have already crashed (think 2008) and many more will surely follow. The reason is that we still cling to the FSC rule, Fame, Size, and Crowd. The big ships and the Madoffs of our world know this well and market to us highlighting these features. They know FSC is like honey to bees even if it is tainted. Is there a better way? I think NAPFA.

What's NAPFA got to do with it? A NAPFA member is a lot like a Sully. They take training and safety standards to a whole new level. The National Association of Personal Financial Planners follows five Cs.

- **Compensation:** All NAPFA members are fee-only®. That, unlike fee-based, means members can only take compensation from clients and no other.
- **Continuing education:** NAPFA members are required to obtain 60 credits each two years in six core areas of financial planning. That's twice the requirement of the Board of Certified Financial Planners for CFP licensees.
- **Comprehensive Financial Planning** is offered or available to every client. This covers the pillars of wealth planning; insurance and risk mitigation, employee benefits optimization, investments and investment management, estate planning, and tax planning.
- **Competence:** "NAPFA's requirements exceed those of any other financial industry association." [www.NAPFA.org](http://www.NAPFA.org) . Members must meet stringent ongoing requirements including a fiduciary oath that states a commitment to working solely in the client's interests at all times.
- **A Commitment** to every client to provide the best advice and services to order to guide them safely to their destinations in life.
- **Certified Financial Planner** and licensed by the CFP® Board. As of 1/1/2010, all new NAPFA members must also be a licensed. Bonus.

The five Cs +1 all add up to a way of being that like Sully, provide a sense of confidence. Top professionals are more likely to lead us to a safe landing even when the going gets rough, really

rough. Isn't that the kind of professional you want to captain to your ship?

There will always be turbulence and rough times. It is part of living. We cannot change that, but we can choose how we react to events and that distinction can make all the difference. There will always be risks. Our only certainty *is uncertainty*. It is our focus to wisely plan for the certainty of uncertainty. Think experience. Think Wightman Financial Network, the firm who has met 6 Cs from day one.

Above all that, the reason to hire us is the need to *lower risks* on the long, winding, and often black-ice patched road to retirement. We want all our clients to have a comfortable ride and a safe landing at the destination of their choice. We want people to know that there is someone like Sully, (with no fame before 2009) who is very competent and experienced in his profession at the controls. We live the 6 Cs and we believe they are a world apart from the FSC standard. Our principal has not only been a NAPFA member for over a decade, he's been fee-only since becoming a Certified Financial Planner Licensee and like Sully, he is also a veteran pilot who understands risks and risk management. He has made safe landings from some of the worst financial markets of a lifetime and continues to help scores of people live better by guiding them to make smart decisions about their finances. Put a Sully into your finances and you can sit back in confidence that you will have a safe landing too.