

The Value of One Advisor

By **Dominic Garcia**

Understandably, it takes time to find a financial advisor who you can trust and who has proven themselves as a valuable influence in helping to build your net worth. That said, once you feel comfortable with someone, it is important to allow them the opportunity to help you on the most comprehensive level possible.

When having multiple advisors, you end up facing many risks. One example is that each advisor is unable to continuously monitor what the other is doing. In turn, this may cause considerable overlap between the two investment portfolios. The more overlap there is, the less you are able to diversify against the risks of the stock market. We also notice that competing advisors tend to create a need to outperform the other. This may sound like a good thing; however, this will actually gravitate a portfolio to be more aggressive and veer away from the allocation required to achieve a more accurate retirement plan.

Let's not forget about cost. In our industry, the majority of advisors charge fees based on the amount of assets they manage for you. If you are able to put everything with one advisor versus splitting your assets, chances are your overall fee will be significantly lower. In addition, the more you have to work with, the more access you have to some of the best investment options.

Many people confuse the saying, "don't put all your eggs in one basket," with the concept of having more than one advisor. The true definition of this saying is to acknowledge that you should not put all your money into one stock or one area of the market. In relation to the advisor, it is their job to pay attention to investment risks, and make sure that your portfolio is spread out among investments that do not correlate to each other. When done correctly, if one shoe drops, something else will be holding it up.

There is more to finance than just managing your investments. If one advisor has a bearing on all aspects of your financial life, it allows them the ability to provide advice related to real estate, taxes, debt, estate planning, insurance, social security, pension, healthcare, etc. This type of relationship will also be valuable in supporting all your potential life events, such as career change, divorce, retirement, inheritance, etc.

Over the years, we have learned that people prefer to simplify their lives. Consolidating your investment accounts under one umbrella is the most beneficial way of doing this. It allows for one statement, one phone number, and one trusted advisor. Not only does it make things easier for you to keep track of, but also your spouse and family if anything were to happen to you.

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