

Financial Planning is Not a DIY Endeavor

Clients seeking financial advice may have similarities, but no two are identical.



Many financial advisory firms categorize their clients into a few basic types. That's not the case with

Pennsylvania-based Great Scott Financial Services. President Scott Seymour says his firm personalizes investment choices just as they do relationships. Most of their investment work is done in-house, not outsourced to third-party managers. Because of this, the company can work around a client's 401k plan, appreciated stocks, and other assets. Seymour points out using third-party management adds another layer of fees for clients and lacks the customization most clients feel is important.

Dad as Mentor

Seymour started working as a financial advisor with his father, who started the practice as a second career in the late 1980s. "I got all the licenses and certifications, became familiar with my dad's clients and brought on clients of my own,"

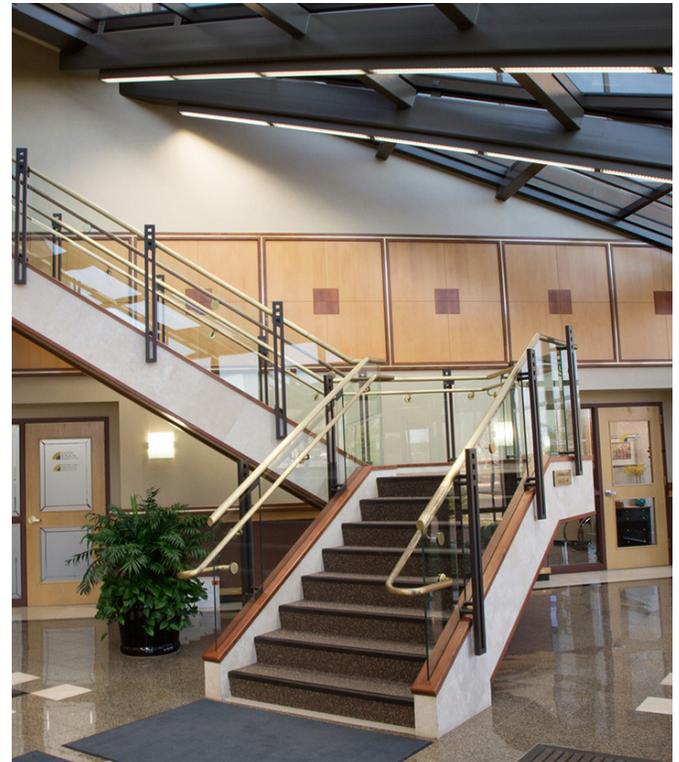
he says. His father retired in 2010, and Seymour says because of his dad's mentoring, he was able to enter a business with high barriers for advisors.

A High Touch Practice

Seymour calls his practice "high touch." There's no voicemail during business hours, so clients always speak with a real person to address their issues. "I'm a firm believer in proactive personal content with clients several times a year. We take a comprehensive, one-on-one approach to planning, not just insurance or investments," he says. "We have no allegiance to one carrier over another, so we're able to offer unbiased solutions."

The Risk of Robos

While robo-investing appeals to the younger and tech-oriented, Seymour sees a big risk with robos and their "101" approach to asset allocation – giving a certain percentage of stocks and bonds to a portfolio. "In the last 20 years, that worked well," he says, but now there's an inflection point with interest



rates and inflation, so that people putting all their bond investments in, say, an index fund may lose money. "If the software gives you the impression that a portion of your investments is secure, you'll quickly discover that's not true."

While Seymour calls computers and software "fabulous tools," he says that there's such an emotional component with money that people want their financial planning done by a human being. "Too many personal things come up in respect to financial planning," he explains. "The solution that's the best fit for a client is often a challenge between the emotional component and the spreadsheet."

No DIY for Financial Advice

Asked about changes he'd like to see in the industry, Seymour said he'd love to see a shift in media coverage to highlight the

importance of a relationship with a professional financial advisor. "There's such a surge in DIY [do it yourself] stuff, everything from tax returns to preparing your own legal documents. I think it's a slippery slope," he says. While some people possess the aptitude, interest, and time to do some of these things themselves, most don't. "That's where the importance of a relationship with a trusted financial advisor comes in. There's an absence of that in the media – they treat it as watching a YouTube video on fixing the sink. That's scary."

To learn more about Great Scott Financial Services, visit: greatscottfinancial.com

