

Most AAI Readers Go It Alone When Making Financial Decisions

The mission of AAI for nearly 40 years has been to help individual investors become better managers of their own assets. Our readers and members tend to be self-directed investors who do their own research and manage their own accounts.

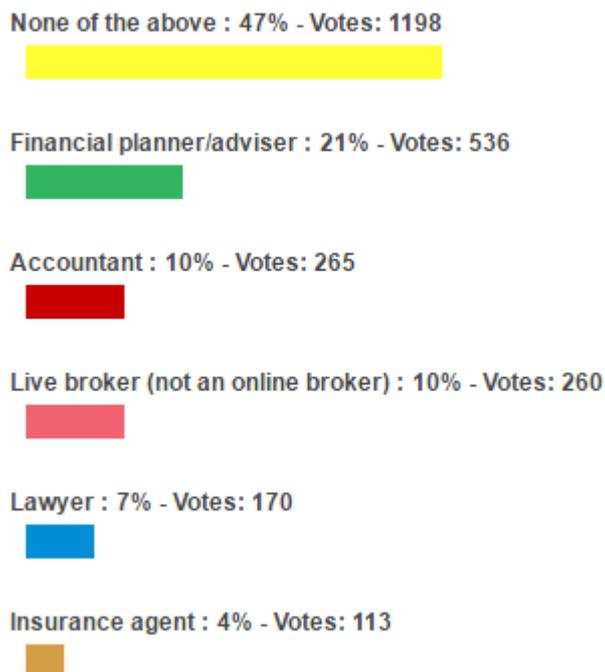
AAI Weekly Survey Question

However, to get a clearer idea of exactly how self-directed our members and readers really are, we posted this question to them last week:

Which “financial advisors” do you use?

Here are the results:

Which “financial advisors” do you use (select all that are applicable)?



In all, 2,542 votes were cast (readers could select more than one option) through 6:30 a.m. (Central) on Sunday, April 2.

Not surprisingly, the biggest vote-getter was “none of the above,” meaning they do not use a financial planner or advisor to assist in the investment process, nor do they use an accountant, live

broker, lawyer or insurance agent.

Of the 1,344 votes cast some for some type of “financial adviser,” almost 40% use a financial planner or advisor. Nearly 20% of readers who use a “financial adviser” use an accountant. Just over 19% of readers who use some type of financial adviser use a live broker.

Weekly Special Question

For those AAI readers who use a financial planner or advisor, we were interested in knowing how they went about selecting the person who is either actively managing their investments or who is offering guidance and advice.

Therefore, last week’s special question asked:

If you use a financial adviser to help in the management of your investment portfolio, how did you go about researching them beforehand?

In all, only 89 of our readers who use a true financial planner or adviser provided a response.

Among our readers, using an advisor that was recommended to them was tied with using a broker with whom they already had some type of relationship. In the case of selecting an advisor with whom they already had a relationship, the majority of these readers use an advisor affiliated with the brokerage house or mutual fund company they already use.

Following close behind, our readers based their selection of an advisor based on research they conducted, including verifying their professional credentials and investigating any complaints against them.

Finally, a number of our readers also conducted personal interviews with prospective advisers before making their choice.

Here is a sampling of the responses:

- “Advice from friends/colleagues, personal meetings.”
- “An army buddy became a CFP to manage his own affairs and decided to go into business managing money.”
- “Asked for recommendations from Charles Schwab.”
- “Check on credentials, references, and my own questions.”

- “He advised a close relative and we developed a relationship over several years before becoming clients of his.”
- “Our accountant suggested someone whose work he knew.

Everybody has an opinion! Why not give us yours? Participate in our weekly member poll, updated every Monday, and see the results online at <http://www.aaii.com/memberquestion>.