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BREAKING FREE—HOW WEALTH CAN HELP SAVE THE PLANET, FROM CUBA TO GREEN BILLIONAIRES

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VOLUME 19 | EDITION 02



“Is my advisor worth the money I am paying him?”

By Mark S. Germain

Do your advisors provide a value equivalent to the fees they charge?

This question is not only perpetually on the minds of clients, but often asked out loud. But value, like beauty, is often in the eye of the beholder, so to determine if you are getting what you pay for, the services you receive need to match your expectations.

The responsibility of fee-based advisors, many of whom are fiduciaries, is to you, the client. And your task is to spell out your expectations clearly and succinctly. Do you expect them to simply manage your money, or do you want them to take a larger role, providing you with overall financial services and recommendations?

Money management firms. If you are hiring someone strictly to manage money, know your objective: Is principal protection most important, or income on the portfolio, or overall growth? Defining these goals early in the process means you can set a quantitative target and determine value compared to cost for the management.

Financial planning firms. These advisors may provide overall financial planning or ad hoc advice, may supervise an entire group of associates on your behalf, or may individually work on a designated portion of your investable assets. Their fees depend on the complexity of your current

position, the amount of implementation required, and what services are provided on an ongoing basis. Potential services include:

1. **Investment policy and asset management**
2. **Financial reporting and portfolio evaluation**
3. **Portfolio rebalancing**
4. **Tax planning**
5. **Estate planning**
6. **Insurance and goal planning**
7. **Cash-flow management**
8. **Acting as a tax and investment liaison**

Once you decide which services suit your needs, how do you assess cost benefit? First, determine quantifiable benefits, such as the time it saves you, the savings of a tax-efficient asset management strategy, etc. Expertise and knowledge that get you through difficult markets can be quantified, and then there is the less measurable peace of mind resulting from using a qualified investment professional.


Calculating cost benefit. The first step in determining your cost-benefit ratio is to determine how much time, if any, you personally want to spend on the items that could be managed on your behalf. If you want to make most investment decisions yourself, then little value may be accrued by hiring a discretionary investment manager. In this case, you should inquire about the

services of a broker who is paid per transaction.

The next step is to determine how you will be charged. Is it a fee basis, commission percentage or a combination of the two? And what is the total amount of money you pay each year for the service? Most advisors today that manage only your money will charge a percentage of the assets that they supervise. Also determine if you should pay for each of these services individually. Then compare those costs to the group of services and associated fees from the advisor in order to reconcile the cost benefit you would receive.

Cost-benefit calculator. Fill out this simple form—using dollars—to determine the costs and savings resulting from the services of an advisor.

Hours saved x rate per hour	\$
Percentage of assets managed	\$
Tax-saving contributions	\$
Hours of advice	\$
Total	\$

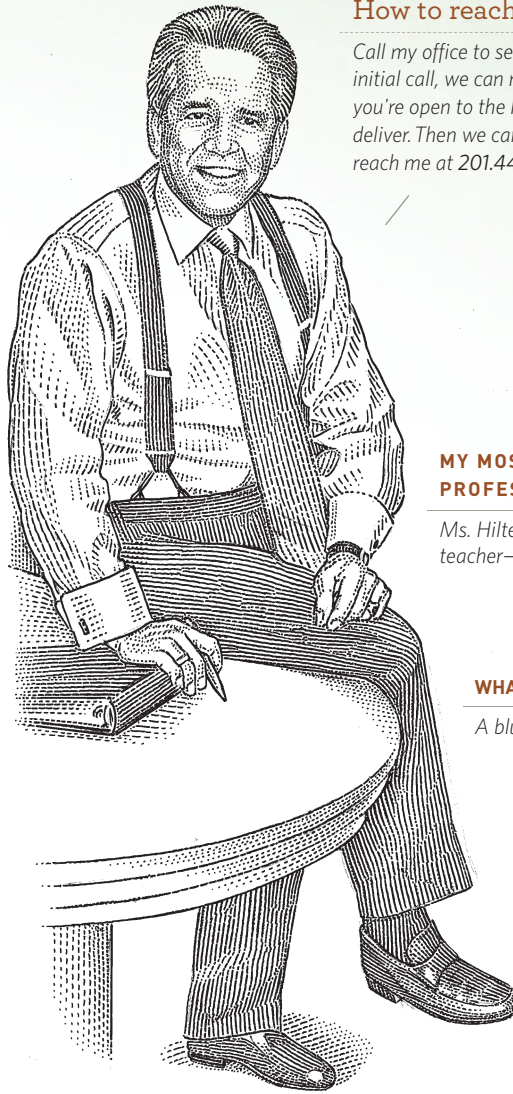
The bottom line is this: The true value of your advisor is based on how the services provided match your individual needs. Determining those needs and asking the right questions will save you valuable time, not to mention money, in the long run. 

“The true value of your advisor is based on how the services provided match your individual needs.”

– Mark S. Germain

WHAT MAKES A GOOD WEALTH ADVISOR...

A blunt, honest and client-focused listener



How to reach Mark S. Germain

Call my office to set up a phone consultation. In an initial call, we can make sure our values align and that you're open to the high level of customer service we deliver. Then we can determine next steps. You can reach me at 201.447.9500.

MY MOST INFLUENTIAL PROFESSOR/TEACHER...

Ms. Hilterhouse, my eighth-grade art teacher—she saved me from quitting

WHAT MAKES A GOOD CLIENT...

A blunt, honest and inquisitive mind

About Mark S. Germain

Mark S. Germain is the founder of Beacon Wealth Management. A relentless tactician, Mr. Germain has managed his clients' financial lives with passion and precision for more than 25 years. In addition to his work building wealth management strategies for professionals, Mr. Germain educates professionals on all facets of asset protection, investment growth, reducing taxes and financial planning. After completing his BS in economics and accounting, Mr. Germain earned his MBA in finance and taught accounting at Northeastern University. He is currently an adjunct professor at Fairleigh Dickinson University where he teaches CFP® candidates the financial planning process.

Assets Under Management
\$300 million

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
\$2 million

Largest Client Net Worth
\$28 million

Financial Services Experience
26 years

Compensation Method
Asset-based, fixed and hourly fees

Primary Custodian for Investor Assets
TD Ameritrade

Professional Services Provided
Planning, investment advisory and money management services

Association Memberships
FPA, IMCA, CFP®

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The Worth Leading Wealth Advisor admittance process is based on, but not limited to, the Advisor's experience, education, fiduciary status, compliance record, wealth management services, methods of compensation and scope of current business. In order to be considered for the Worth Leading Wealth Advisors Program, financial professionals must be willing to provide complete and full disclosure to investors so that independent analysts from Paladin Registry can thoroughly screen and evaluate their credentials, ethics and business practices. Once admitted, Advisors pay a fee to be included. Investors and potential investors are solely responsible for the decision to select particular Advisors.