



MYRIAD WAYS EXIST TO GET FINANCIAL ADVICE ONLINE: [Final Edition]

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The secret to using a computer for financial advice? Start by figuring out what kind of help you want before sitting down to the keyboard.

Do you need to learn the basics of investing? Do you want a software program to tell you whether your finances are on or off target? Or would you rather just find a live person to answer your questions?

By narrowing your focus, you can save hours of sifting through the immense amount of financial information online.

"There's a ton, and it really is hard to wade through it," said Russ Wermers, an associate professor at the University of Maryland in College Park. "I'm a Ph.D. in finance, and I'm absolutely overwhelmed and confused at all the different advice on mutual funds and stocks or bonds."

Online financial advice falls into three basic categories, said David Drucker, a financial planner in New Mexico.

First, much of the financial advice available online is educational material, often provided by mutual fund companies or financial publications.

Wermers suggests learning about finances and investments by reading information on the Web sites of reputable investment companies, such as Fidelity Investments.

Christopher Brown, a financial planner in Gaithersburg, Md., recommends the Web sites of financial publications, such as Kiplinger's.

He also likes Morningstar's site at www.morningstar.com, which has loads of free information about funds and investing.

Second, there are number-crunching programs that can make financial projections based on your portfolio.

And the third, though far less common, type of advice uses the Internet to connect consumers with a live expert.

One of the latest entries in this last category is www.myfinancialadvice.com, a Denver-based company that says it's unique because it takes the legwork out of finding an experienced, objective professional.

Started in November, myfinancialadvice.com links consumers with financial advisers who can answer specific questions on taxes, insurance, retirement, estate planning and other money

matters by e- mail or telephone.

"There is a live human component. That's what we bring," said Ron Peremel, the company's chief executive who spent three years developing the site.

You can buy 10 minutes of a professional's time or an hour or more. So far, most questions have involved 25 to 45 minutes of an adviser's time, Peremel said. His family has been in the brokerage business in Baltimore for two generations.

Advisers are prohibited from selling products to clients. They must have at least three years experience in their area of specialty. They also must have a clean disciplinary record with regulators and pass a criminal-background check.

Consumers can shop for an adviser licensed to do business in their state and fees on the Web site. Advisers' fees are similar to what they would charge for a face-to-face meeting, about \$1 to \$4 a minute. Before the meter starts ticking, advisers submit a proposal on the amount of time the matter will take and cost.

The target customers are do-it-yourselfers who might want to run their decisions by a pro. The site also aims to attract middle- income households with \$100,000 or less in assets who are often overlooked because they can't afford to pay \$5,000 for a comprehensive plan.

So far, 60 advisers are signed up, but Peremel expects to have up to 500 online by the end of the year, and as many as 2,500 in three years.

Some financial experts concede if the advice is truly objective, the site can fill a need. Because no matter how computer-savvy people are, they tend to want to talk to someone before making big decisions, experts said.

For those who don't need the human factor, there are sophisticated software programs that allow you to plug in your financial information and project whether they can meet future goals or need to make some changes in saving or investing.

The big players in this category are Financial Engines, a California company founded by Nobel Prize-winning economist Bill Sharpe, and Morningstar Inc. in Chicago.

Financial Engines' software is provided to individuals through their employer's benefits plans. The program analyzes a worker's assets, including those of a spouse.

Similarly, Morningstar's program looks at your 401(k) investments and other assets, figures the chances of reaching your objective and makes specific recommendations for your 401(k) account. The program is available through employers or financial institutions that administer 401(k) plans. Consumers who subscribe to Morningstar's premium service for \$115 a year can get access to the online advice besides research on thousands of stocks and mutual funds.

And, of course, there are plenty of other free online programs, some much less sophisticated, that try to make similar calculations. Experts warn that results among programs can vary.

- Eileen Ambrose writes for The Baltimore Sun, a Tribune Publishing newspaper.

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