

May 2005

Your Voice

On 'Spot' Financial Planning

The March Talking Point discussed the pros and cons of hourly, Web-based financial planning advice such as offered through Myfinancialadvice.com and asked for feedback. Below are some of the responses. To post your own thoughts, go to www.journalfp.net and to the March Talking Point in FPA Café.

I've been associated with MFA (Myfinancialadvice.com) for almost a year, starting shortly after venturing into private practice as an independent RIA. For a small, one-man shop in a small western Kentucky town, advising through MFA has given me the opportunity to address multiple needs ranging from my first, a question concerning tax issues of a gift of equity, to numerous debt reduction issues, to mortgage financing alternatives, to, finally, comprehensive asset allocation and estate planning strategies. The best part is my clients have been domiciled from California to Virginia, Texas to Ohio. That has convinced me that real planning on spot issues can be successfully delivered via the Internet without intimidation or fear of commitment. And, from a personal perspective, I've had the opportunity to address issues I wouldn't see in a lifetime from clients passing through my physical office. When you couple all this with the technical experience of MFA in Denver, it combines to be a real win-win situation. All spot advising via the Internet needs for rapid growth is more public exposure and third-party endorsements.

Phil Calkins, CFP®

I am an hourly planner and participate in MFA as an advisor. I can only share my experience and my viewpoints. When clients tell me they're intimidated by previous encounters with planners, the reasons they give tend to run along the lines of, "It seemed like I didn't have enough money for them to be interested" or "It seemed like they wanted to sell me [fill in the blank with a product] and I felt so much pressure." In my experience, there are plenty of people who want an educated, experienced, ethical planner who will

address their needs as they perceive them, which may include only a few questions or the whole ball of wax. I feel passionate about offering the kind of service my brother, sister, and extended family would consider paying for. None of them have significant assets to manage and all of them have financial advising needs, from mortgages to car purchases to allocations on their company plans. My practice exists to serve these people. It's a lot of fun to see their progress and their confidence and understanding grow. The challenge remains getting the word out that we exist.

Bonnie Hughes, CFP®

I am not associated with MFA, but I believe they play an important role in the financial planning profession. Many fee-only advisors, such as myself, have minimum fees that exclude many middleincome and lower-middle-income people from using our services. MFA provides unbiased and competent financial planning advice for those who cannot afford a more traditional fee-only planner. I recommended MFA in my upcoming book, *Conscious Finance*, as a solid, affordable alternative to a fee-only financial planning relationship. Of course, there are some obvious pitfalls and risks of "financial planning advice on demand," but my sense is that most people who would use this service have fairly straight-forward questions that are not highly complex. I think MFA enhances and expands the financial planning profession by giving people who cannot afford the full experience a "taste." It increases the probability that those people will seek out the traditional services of a planner when they can afford one.

Rick Kahler, CFP®