

Laura Rowley Money & Happiness



Finding Affordable Financial Advice

by *Laura Rowley*

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While the world is chock-full of financial planners, they typically serve clients with \$250,000 or more to invest. Sound, affordable advice can be tough to find for less-affluent wage earners. (And in the era of Bernie Madoff, whom can you trust?)

The economic crisis underscores the need to address finances in a holistic way -- debt, savings, investments, insurance, etc. -- and that may mean reaching out for guidance.

Here's a look at some of the efforts to fill the affordable advice void, designed for people who are either novices or have some [financial literacy](#) but want a coach to assist them in refining and reaching their goals.

Large Firms

Smith Barney's myFi, a division of Citigroup, recently launched a "Financial Wellness Program," in which clients pay \$50 to \$100 a month to develop a plan with an advisor. Counselors typically have seven years' experience and some level of financial certification. They act as fiduciaries, and don't get commissions for steering clients into Citi's products.

"We said, 'Let's wipe away the past and [offer] the opportunity to pay for financial [advice] the way you'd pay for a utility,'" says Andy Sieg, managing director and head of myFi. "It has nothing to do with products and everything to do with advice. It's one price for ongoing coaching across all the issues of your financial life. Even someone on the verge of bankruptcy can call."

The coach walks clients through diagnostic tools to develop [goals](#) and an action plan. The client also has access to a series of planning modules over the course of a year, delivered by certified financial planners (CFPs) and other specialists. The coach is typically in touch with the client once a month, with an in-depth session occurring once a quarter. Coaches don't suggest specific products, but they will recommend resources, such as Bankrate.com or LendingTree.com, for mortgage rates.

Waiving Nuisance Fees

Participants don't need to have assets invested with Smith Barney, although clearly the firm is hoping to eventually attract those investments. If a client does bring assets to the table, myFi currently waives

brokerage and account fees, as well as other transaction charges, for those with less than \$100,000 in managed assets.

"It is extremely transparent in terms of what the customer is paying and what they get for what they pay," says Sieg. "What we heard from clients is they don't necessarily understand pricing in financial services, and clearly have a negative reaction when they feel there are [nuisance fees](#)."

Other large financial services firms, including Fidelity, Vanguard, and Charles Schwab, offer advice, but it's generally reserved to retirement or college savings advice. Fidelity, for example, offers free asset allocation advice at one of its 128 centers or on the phone, a spokesman says, adding that the advisors don't earn commission on the products they recommend. The advice is based on the firm's online tools (which some critics say are skewed toward [over-saving](#) for retirement).

For clients with less than \$100,000 in investable assets, The Vanguard Group offers asset allocation and investment advice, as well as analyses of saving and spending in retirement, for a \$1,000 fee. Clients fill out a detailed questionnaire online and then spend an hour on the phone with a fee-only consultant, who makes portfolio recommendations based on Vanguard's mutual funds (but doesn't earn commission on funds.) You can't get services like estate or insurance planning unless you have \$500,000 or more of investable assets.

Seminars and Money Clubs

Another approach is to find like-minded peers to keep you on track -- in other words, a money club. "The group is a collective conscience that can increase your knowledge by sharing and increase the odds that you do your homework and follow through on actions," explains Diahann Lassus, president of the National Association of Personal Financial Advisors (NAPFA), a group of fee-only professionals.

Money clubs have been springing up nationwide, with many non-profit groups focused on women. Two veteran organizations are the San Diego-based [Women's Institute for Financial Education](#) (which has trademarked "money club") and New York-based [Savvy Ladies](#), which had 5,000 women participate in clubs and educational programs last year.

Stacy Francis, a fee-only CFP in New York, founded Savvy Ladies in 2002, and she donates 20 percent of her firm's income to help run the non-profit. For an annual membership fee of \$50 to \$160, members get access to 18 to 24 workshops and seminars a year, as well as help finding or starting a club. They also get to have one-on-one monthly phone sessions with a CFP who works pro bono.

"Our goal was to create clubs across the nation, and we have some up and running -- but not as many as I had hoped," Francis says. "The challenge has been finding champions willing to do the work -- to find a space to meet and reach out to other members of the community who might want to participate."

If you're interested in starting a club, [see these guidelines](#).

The USDA's Cooperative State Research, Education, and Extension Service brings together the teaching, research, and extension activities of 103 land-grant universities and the [U.S. Department of Agriculture](#). CES is a public-funded, non-formal educational system that extends research-based information to nearly 3,150 county offices. (To find one near you, [click here](#).) The Cooperative Extension Service also offers [extension.org](#), which allows consumers to submit financial questions and receive answers from educators by email.

You can also access a personal finance course online for free through the [OpenCourseWare Consortium](#). It's a group of about 250 universities internationally -- including 17 in the U.S. -- that offers course materials, lecture notes, tests, and more.

Crown Financial Ministries, which has roots in the mid-1970s, offers programs nationally and internationally; its curriculum is founded in evangelical Christian teaching. The Bible-based programs emphasize eliminating all debt and tithing 10 percent of one's income.

Financial guru Dave Ramsey, who also layers Christian messages in his teachings, has trained an army of instructors through his Financial Peace University. They offer a 13-week financial course for \$99 around the country.

Financial author Lynn Khalfani-Cox is sponsoring her own [Zero-Debt Tour](#) at churches across the country. "The requests have come into us specifically from a lot of churches over the last two years," she says. "People are looking for help and for hope -- and in times of crisis, they do turn to faith."

Q and A

Finally, DIY investors seeking answers to more-narrow financial questions can find a fee-only planner who charges by the hour at [garrettfiancinalnetwork.com](#), or use a Web site such as [myfinancialadvice.com](#), which answers questions for a fee. Additionally, NAPFA is touring the country with [Your Money Bus](#), in which members offer free financial planning advice to consumers in various cities around the country, through June 3.

Lassus says no matter which educational avenue a novice chooses, the key is to reach out: "Just like the odds are much higher that you will actually reach an objective when you write it down, they are also much higher when you share your objectives with someone else."

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