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Dave Windsor's 'Financial Commentary'

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DO I NEED A FINANCIAL ADVISOR?

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If you have a Net Worth in excess of \$500,000 the answer is probably, though not definitely, 'Yes'.

Your Net Worth is the sum total value of your personal assets after deducting liabilities. In an average family, this includes the value of your home, vehicles, jewelry, furniture and other personal property after deducting mortgage balances and loans (including credit cards). Also add retirement accounts, bank balances and other financial investments. All families should know their 'Net Worth'.

Your Net Worth is also more complicated if you own a business and you may need your CPA to assist, but anyone can approximate their net worth by deducting everything they owe in principal balances from everything they own in present value, measured in U.S. dollars.

Why would you need a financial advisor? Only because money management is complicated and even those who appear to be 'rich' can suddenly find their leveraged assets cannot keep up with an unsustainable lifestyle. That is, you should always plan for the next 10 or 20 years at least for how you are going to pay for the

life you plan on your own, or with partner and family.

Finding the best financial advisor is tricky and you should interview those recommended by friends or associates at length because they will be advising you on how to manage your financial future for fees that are part of their own.

Personally, I manage my own investments and, being conservative in nature, believe in principles like being debt-free with a healthy allocation between inflation-hedged real estate and direct money investments in treasuries, bonds and stocks. But this is because I have training in appropriate mathematical market evaluation techniques.

An untrained person should not trade their own markets unless it is with a small amount of disposable principal which they are prepared to lose.

Because of my personal trading hobby I get asked all the time "What stocks should I buy?" or "When should I sell?" I cannot give such advice and, even if I did, these decisions remain your own unless delegated to a stock-broker or financial advisor.

Unless you have spent years in finance and hours in front of charts, you need a financial advisor. The writer is not in that business. This is just an opinion.

Dave Windsor

