

Q2 23 Retirement Plan Services



THE VALUE OF WORKING WITH A FINANCIAL ADVISOR

In a new survey released by Forbes Advisor, data revealed that approximately eight in ten adults between the ages of 18 to 41 have obtained financial advice from social media, with Reddit and YouTube being the most trusted platforms.

There may be financial experts on social media who provide general financial advice, but such advice may not apply to everyone as an individual's financial situation is just that – individual. Another caveat to consider is that the person offering the advice through social media may not be qualified to do so.

Outside of social media, those surveyed receive financial advice primarily from family members (35%) and internet searches (33%). Only 11% use a financial advisor.

However, a Vanguard report on the value of personalized advice revealed that a good financial advisor can increase a client's after-tax investment returns by about 3%. It proposes though that one should look beyond financial and portfolio data to quantify the value of a financial advisor. One should consider the emotional and time value adds, as well. Emotional value as in the support received to help achieve financial well-being or peace of mind. Time value for those who may not have the time, willingness, or ability to manage their portfolios on their own.

A Northwestern Mutual survey also showed that people who collaborate with financial advisors are more likely to report

happiness, confidence, and stability in their financial and personal lives. Survey highlights include:

- 92% of the group were happier or more confident their financial house was in order.
- 66% of survey respondents who have a financial advisor said they felt financially secure, compared to 30% of those who do not pay for professional help.
- 85% of respondents who work with a financial advisor feel their personal life is on the right path, compared to 71% of those without an advisor.
- Additionally, seven in ten respondents with an advisor said they were happier with their life, compared to five in ten people who expressed the same but managed their money on their own.

Further, the survey revealed that people who worked with a financial advisor were more likely to know how to balance spending and saving, set specific goals and milestones with confidence that they will achieve those goals, and have a plan in place to weather economic difficulties.

To create a rewarding financial plan and achieve a sense of security and peace of mind, you may want to consider consulting with a financial advisor.

A more sophisticated plan would involve a CERTIFIED FINANCIAL PLANNER™ professional. For more information about creating a financial plan, contact Midland Wealth Management at 888-637-2120.

Sources: Forbes Advisors, "Where do 80% of young Americans get financial advice?", February 14, 2023. Vanguard, "Putting value on your value: Quantifying Advisor's Alpha", August 12, 2022 Northwestern Mutual, Planning and Progress Study (2019)



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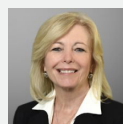
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Questions or concerns? Please call Midland Retirement Plan Services at (815) 231-2816 to speak to your retirement specialist or e-mail us at retirement@midlandsb.com.