

3-11-2014

The Benefit of Financial Advisors

Steven D. Dolvin
sdolvin@butler.edu

Follow this and additional works at: <http://digitalcommons.butler.edu/jmdallchapters>



Part of the [Finance and Financial Management Commons](#)

Recommended Citation

Dolvin, Steven D., "The Benefit of Financial Advisors" (2014). *All Chapters*. 96.
<http://digitalcommons.butler.edu/jmdallchapters/96>

This Blog Post is brought to you for free and open access by the JMD Investments Supplement at Digital Commons @ Butler University. It has been accepted for inclusion in All Chapters by an authorized administrator of Digital Commons @ Butler University. For more information, please contact omacisaa@butler.edu.

JMDinvestments

Tuesday, March 11, 2014

The Benefit of Financial Advisors

Many individual investors believe that the primary role of a financial advisor is to "pick stocks." However, research shows that not only are active managers not able to outperform the market consistently, but that the security selection piece is really not the most important determinant of portfolio return. The key issue is asset allocation. A recent report ([see article here, InvestmentNews](#)) suggests that financial advisors can add value, but primarily from activities unrelated to security selection: determining asset allocation, helping clients avoid behavioral errors, facilitating rebalancing, reducing fees, and managing taxes and withdrawals.

Related Chapters: Chapter 01, Chapter 08