

11-24-2014

Fee Based Compensation Aligns Interests

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., "Fee Based Compensation Aligns Interests" (2014). *All Chapters*. 120.
<http://digitalcommons.butler.edu/jmdallchapters/120>

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

Monday, November 24, 2014

Fee Based Compensation Aligns Interests

Retail financial professionals have increasingly moved away from commissions and to a standard fee-based structure. This change should better align the interests of clients and advisors. For example, there is less incentive to trade. Moreover, there is little need for advisors to select funds that charge a high load, as their compensation no longer depends on the "kickback" received from the fund companies. As a result, the fund flow to high load funds has turned negative. [See article here, Investment News.](#)

Related Chapters: Chapter 02, Chapter 04