

FEE-ONLY VS BROKERS

What's the Difference?

When it comes down to it- the main difference between the two is how they make money!

Let's explore further:



FEE-ONLY

BROKERS

FEE-ONLY, FIDUCIARY, AND INDEPENDENT ADVISORS DO NOT EARN COMMISSIONS OR SELL PRODUCTS.

Regardless of what investments or financial planning they recommend, an independent advisor never receives any additional financial reward.

A BROKER MAKES THEIR MONEY BY SELLING PRODUCTS AND EARNING COMMISSIONS.

They recommend products as part of their advice.

THE BENEFIT? THEY ARE UNBIASED SO THEY RECOMMEND WHAT THEY FEEL IS IN YOUR BEST INTEREST.

THEY EARN \$ FOR EVERY PRODUCT THAT THEY SELL.

These products can include:

- Insurance
- Annuities
- Mutual funds
- Other investment vehicles

SO... HOW DO THEY GET PAID?

Often referred to as "fee-only" or "commission-free", they charge their clients a fixed fee for their advice.

If they manage your wealth, i.e. invest money on your behalf, they will charge you a % of the total value of that which they invest, so it is a known and agreed upon amount.

THEY ARE INCENTIVIZED TO RECOMMEND PRODUCTS THAT EARN THEM THE HIGHEST COMMISSION RATHER THAN WHAT IS MOST APPROPRIATE FOR YOUR NEEDS.

Financial Advisors, like all professions, work for who pays them. Brokers are paid by both you and the product-pushing brokerage firm, while a **Fee-Only Advisor works exclusively for you.**

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