



The Real Cost of Poor Financial Advice

What is Poor Financial Advice?

- Misinformation or misguided recommendations.
- Given by unqualified advisors.
- Driven by conflicts of interest.

Why It Matters

- Ensures financial stability.
- Helps achieve long-term financial goals.
- Prevents significant financial losses.



Financial Impact on Individuals

THE NUMBERS

- Average loss: \$1,506 annually per individual.¹
- Long-term impact: \$15,060+ over a decade.¹



Economic Consequences

MARKET IMPACT

- Total annual losses: \$388 billion in the U.S.¹
- Retirement savings reduction: Up to 15%.¹



Psychological and Social Effects

STRESS AND MENTAL HEALTH

- Higher levels of stress and anxiety.
- Financial stress leading to depression and anxiety disorders.

SOCIAL CONSEQUENCES

- Conflicts within families.
- Increased stress and reduced well-being.



The Sources of Poor Financial Advice

UNQUALIFIED ADVISORS

- Advisors receiving commissions, not fee-only.
- Non-fiduciary advisors with conflicting interests.

MISINFORMATION ONLINE

- Misinformation spread on social media.
- Risks from unregulated online sources.



How to Identify Good Financial Advice

CREDENTIALS TO LOOK FOR

- Certified Financial Planner (CFP).
- Chartered Financial Analyst (CFA).

BEST PRACTICES

- Choose a fiduciary with significant tenure.
- Opt for Independent RIAs with strong track records.



The Importance of Financial Literacy

EDUCATION AND RESOURCES

- Consider specialized certifications like CEPA for business owners.
- Use reputable sources: Government websites, educational institutions, certified planners.

GOVERNMENT AND COMMUNITY PROGRAMS

- Workshops and online courses.
- Programs designed to improve financial literacy.



WINDFALL ADVISORS

SUDDEN WEALTH SPECIALIST

<https://www.financialeducatorsCouncil.org/financial-illiteracy-costs/>