



■ about the expert

REID JOHNSON

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With more than 20 years of industry experience, Reid works closely with his clients to help identify their financial needs and determine the best strategies to help meet their goals. He holds life and health insurance licenses in Texas, frequently speaks on financial topics, and has been published by Wall Street Select, CNN, Fort Worth Star-Telegram, Kiplinger, and others.

▶ FINANCIAL ADVISOR

PUTTING THE PIECES TOGETHER FOR YOUR DREAM RETIREMENT

Q&A

WHAT TYPE OF FINANCIAL ADVISOR SHOULD I LOOK FOR?

People are often confused about the different types of financial advisors. An investment consultant will ask you a few questions, gather some basic information, and then recommend investments for you. A comprehensive wealth manager is a fiduciary and as such is required by law to manage a person's assets for their benefit – and not his or her own.

For each investment, we must present the advantages and disadvantages. It's a completely different level of transparency. I highly recommend partnering with a comprehensive wealth manager who will examine your complete financial situation, including taxes, income, social security, budget, legacy, and responsibilities. The wealth manager should then identify your financial needs and determine the best strategies to help meet your financial goals.

WHEN'S THE BEST TIME TO PARTNER WITH A FINANCIAL ADVISOR?

It's never too early to find a financial advisor you trust. The sooner you begin, the more flexibility you'll give yourself and the more time you'll have to work toward the retirement you want. Your financial advisor will not only help you formulate a plan but also make adjustments as variables within that plan change. An experienced financial planner will help you develop good financial habits and establish a financial buffer for times that don't go as planned.

I DON'T MAKE A LOT OF MONEY. DO I STILL NEED A FINANCIAL ADVISOR?

When many people think about finances, they're only thinking about investments and savings. But there are more pieces to the puzzle. A teacher, for instance, needs to make savvy decisions about their pension. We can help them do that. A small business owner needs to make choices about insurance and workman's comp to make sure their business stays intact going forward. The right financial advisor can recommend the best tax breaks. You don't have to be a top-tier executive or professional to work with a financial advisor – just someone who wants financial security to be part of their future.

WHEN SHOULD I RETIRE AND WHEN SHOULD I START COLLECTING MY SOCIAL SECURITY?

The answer depends on many variables. Are you married? What's your budget? How much money have you saved? What are your goals for your legacy? We see so many people take social security at the wrong age. But there are 10 different things we need to consider before recommending the right age. It's vital to have a financial plan and a financial advisor who's consistently reevaluating that plan to make decisions like this.

HOW IMPORTANT IS A DIVERSIFIED STOCK PORTFOLIO?

Diversification is about more than having many different stocks. There are other asset classes to consider such as fixed income, commodities, and cash. We want to diversify among different asset classes. That way, when one asset class is down, the other may be up. Diversification offers you another category to go to when another sector is down. ■