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## Increase Financial Literacy To Better Work With Pros

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Understanding how your tax and investment professional can best serve you comes from learning about what he does. Tips on how to best educate yourself on financial fundamentals:

- **Listen for clues.** The adviser you turn to for help with taxes and financial guidance should initiate questions in order to best help you, beyond trying to sell you on his service. That adviser should want to know about your goals and the needs of the people most important to you, like a child preparing for college.

"An excellent financial professional implements a discovery process," said Karl Frank, author of "Go Tax Free." "You are on a unique voyage, and your guide had better know what sights you want to see along the way. If your financial guide does not know the answers to these questions, then how can he or she help you on the journey?"

- **Ask the right questions.** Not all certified public accountants "are tax experts, and they will tell you so," Frank said. He adds that many tax experts are in fact enrollment agents and may not be CPAs.

Among the answers you should seek from the professional: How long has he provided service? In what areas does he specialize? Does he have advanced degrees? Does this person routinely work with people in your situation?

- **See the bigger picture.** Find someone who can help you plan, Frank said: "Lots of professionals can do a good tax return, but very few say: 'Here are three or four strategies that you should consider for next year or even within the current calendar year.'"

While most experts will tell you to get as many deductions and deferrals today as you can, they may be doing so without regard for the subsequent increased tax liability of the "future you, and that's a mistake," Frank said.

- **Learn from your actions.** Responsible behavior is the core driver of financial responsibility, and every financial decision made has consequences. That's from Shannon Schuyler, a corporate responsibility leader at the accounting firm [PricewaterhouseCoopers](#).

From an early age, she said, all of us should understand the difference between wants and needs: "short-term rewards and delayed gratification. These behaviors impact how an individual approaches financial choices in life."

- **Teach.** Eighty-six percent of teens would rather learn about money management in a class before making mistakes in the real world. That's according to Charles Schwab's 2011 Teens & Money Survey, Schuyler says.

Yet only 13 states enforce a personal finance course in high school as a graduation requirement, according to the Council for Economic Education's 2011 Survey of the States.

Parents can help bridge this gap with their children by teaching the basics, while at the same time learning new things themselves.

- **Bring it in-house.** "Financial education should take place at the workplace," Schuyler said.

She points to studies finding that financial stress causes an increase in employee absenteeism and a decrease in productivity.

"The workplace is a driver of significant stage-of-life actions around health care, savings, insurance and other benefits, all which have dramatic financial implications to the individual and company," Schuyler said. Workplace benefit plans with their built-in product support teams are something employees should take advantage of to foster their understanding and choices.

- **Get started.** As Frank said: "Plans are worthless without action, but actions are priceless."