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People Are Afraid Of Financial Advisors, Study Says

OCTOBER 29, 2015 • [KAREN DEMASTERS](#)

A majority of people are scared of financial advisors, according to a survey by McAdam, a financial planning firm based in Philadelphia.

Overall, 71 percent of the 2,000 people surveyed said some aspect of dealing with a financial advisor makes them afraid, and 49 percent say it is a fear of having to pay the advisor a lot of money. Another 38 percent say they fear getting bad news about their finances if they talk to an advisor.

Nearly half (47 percent) say they are hesitant to trust a financial advisor with their personal financial information, and 41 percent say they feel a financial advisor would not be able to help them with their finances.

Millennials fear is felt by even more people (82 percent), compared with 63 percent of those 45 and older who are afraid to talk to an advisor.

Having a high income does not protect a person from the fear. Forty-four percent of those making \$100,000 or more a year are also afraid the conversation with a financial will cost them a lot of money.

“With the effects of the financial crisis still being felt today, some investors may be understandably wary of the financial planning process,” says Michael McAdam, CEO of McAdam. “It’s important to recognize that meeting with an advisor can significantly improve your financial health.”

“It’s particularly surprising that costs are the main fear since quality financial advice is often available to people at very reasonable costs--especially when compared to other services they routinely pay for,” says Phil Simonides, a vice president at McAdam. “Given the complex nature of long-term financial planning, investors should take a big picture view of the value they receive for these services.”

“Our fears are often not based in reality,” says Simonides. “Many financial advisors are neither expensive relative to their value, nor do they only provide the bad news some people fear. The only way for people to eliminate fear is to face it head on and take the initiative to have a meeting with a financial advisor.”

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