

SEO Breakdown: keywords used - financial planner, financial planners, financial success, investment decisions, investment advisor, financial advisor

Bullet Points for Success...Investing, Finances, Business & Life

Are You Investing or Gambling? Here Are the Warning Signs

Are you trusting brokerage firms to build your portfolio, allowing others to decide which investments are right for you? Before signing with a financial planner, wealth manager or financial advisor, here is some information that can help you avoid one of the most deadly investment traps...gambling with your nest egg.

Financial planners are often selling products instead of peace of mind, more concerned about their commissions than your financial security. Now, I'm not saying that all financial planners are bad, but the truth is that often times their hands are tied. Financial planners who work for broker-dealers have certain obligations to push or recommend specific products. Often, their bonuses, commissions, and even their ability to continue to work for a certain company, relies on their blind compliance.

The good news here is that you don't have to be part of this game. If you are feeling anxiety or stress regarding the investment advice or decisions that are being made on your behalf, you may want to keep reading. Here are the warning signs that you may be gambling with your financial future.

Warning Signs of Investment Gambling

- **Your broker or financial advisor is guaranteeing to pick the best, most high-performing stocks for you** - Most mutual funds have 100% turnover (download [The 7 Deadly Traps of Investing](#) for more details on this subject) and although the gurus and stock pickers make many claims, many of the stock surges are driven by hype, advertisements, and other factors that aren't reliable in the long run. Picking stocks that will bring instant financial gain is not just risky, it's gambling with your hard earned money.
- **Trying to time the market** - If you or your advisor is trying to 'time the market,' no wonder you are losing sleep at night. Timing the market is driven by fear and speculation, and these practices will only lead to stress. Attempting to predict market fluctuations is a huge warning sign that you are gambling with your investments.

- **Track record investing** - If your investment advisor is endorsing a particular investment by presenting you with reports or statistics on how it has performed in the past, this is risky business. A past track record, regardless of how shining it may be, is not a practical indicator of the way a stock will perform in the future.

So, What's the Problem Here?

Unfortunately, much of the problem lies in the fact that there are a lot of brokers and financial advisors who really don't understand what they are selling or why. Brokers who make false claims and push products they don't understand can have disastrous results for you, the investor.

Is There a Real Answer?

By letting you in on these warning signs, we are not implying that there are not investment advisors who really can help you. A financial advisor with your best interests in mind will guide you to making prudent investment decisions that perform above average over time. They will also help you to truly diversify your portfolio to maintain proper balance and minimize your loss potential (By the way, having a lot of stuff in your portfolio does NOT mean it's diverse).

Bottom line? Be careful, keep your eyes open, and don't be afraid to ask tough questions of your financial advisor. This is your money and your financial future.

For more information, download your free copy of [The 7 Deadly Traps of Investing](#).