



Why Almost No Investment Advice is Unbiased... and What to do about It.

By Dennis Blitz, President, The IRA Club

Wouldn't it be nice if there was a wise investment guru sitting in an unpretentious office who would listen endlessly to our goals, desires, and hopes? They would then gladly give each of us an unbiased and detailed road map to follow to maximize our investment returns and minimize our financial frustration? Sadly there are four obstacles that explain why this mythical, all-knowing person doesn't exist.

- 1. The first obstacle is the set of rules that govern your Securities Broker.** Security regulations require that a Broker (a Registered Representative) may work for only one brokerage firm [called a Broker/Dealership] at a time. All registered representatives are captive sales people for a single broker dealer and may only offer the products of that Broker/Dealer unless they are given expressed written permission to sell "outside" products, which is referred to as "selling away." Because the Broker/Dealer is legally and financially responsible for the actions of its registered representatives, permission to "sell away" is rare. The consequence of this rule is that each broker has only limited investment products that he or she may offer.
- 2. The second obstacle to finding a single source of investment guidance is that everyone has their limits.** It would be impossible for anyone adviser, sales person or guru to understand the fine points of every investment category. The person who thoroughly understands Real Estate Development may be out of his or her element when dealing with Equity Indexed Annuities. In the same manner, the annuity sales person will be of little help when you need help evaluating a real estate development project
- 3. The third obstacle to finding a single source of unbiased investment guidance is that the investment salesperson you are talking to is likely to be earning a commission.** There is nothing wrong with commissions. However, the commission may drive the sales

presentation. It is nearly impossible for a commissioned sales representative to be completely unbiased.

4. **And this may be the biggest obstacle: No one cares about your money as much as you.** The placement of your dollars and the monitoring of their progress is up to you. It should be, it's your money.

For more information on this topic and hundreds of additional investment ideas, watch for my forthcoming book [Saving More Isn't The Real Answer](#) or visit www.dennisblitz.com.

Dennis Blitz is an active writer and lecturer on the topic of investing; he is President of The IRA Club, an organization dedicated to providing investors with the education to achieve the greatest growth in their Individual Retirement Accounts. Mr. Blitz was president of Dearborn Financial Publishing before its acquisition by The Washington Post Company.