

Fee-Only Fiduciary vs. Broker

In financial services there are two regulatory standards that advisors are held to—the Fiduciary Standard and the Suitability Standard. As Registered Investment Advisors, Saltmarsh Financial Advisors is governed by the Fiduciary Standard which means we have a legal and moral obligation to put our clients' best interest ahead of our own. We do not sell products or receive compensation from the mutual funds we recommend. Conversely, brokers are held to the Suitability Standard, which simply requires the broker to sell investments they believe are suitable for their clients, not necessarily what is best for the client. Brokers are essentially salespeople who are compensated by commissions or a production based bonus. This may cause a conflict of interest because the products and mutual funds that are BEST for the advisor may have higher costs for the investor.

To understand if your best interests are a top priority for your financial professional, ask if they are regulated under the Fiduciary or Suitability Standard.

