

# Financial Service Fees

Fees for financial services are like fees for almost all goods and services: they vary and they're inescapable. But one key to assuring that fees are appropriate, fair and unsurprising is to align them with both the service you receive and its value. Almost everyone needs a mix of different services, so the alignment is not always simple. What's more, the value of the service depends on your individual situation and needs.

Start by asking your financial advisor what fee arrangement makes the best sense for you—taking into account your full financial situation and all relevant services. Don't delay discussing the topic. Your advisor's recommendations should simplify the issue and help inform your decisions.

Here are the basic types of fees you can expect to be charged by various financial service providers—along with some of the advantages and disadvantages of each type.

	Benefits	Drawbacks
<b>Commissions</b>	tied to specific transactions such as purchasing a mutual fund or security	sometimes not tied to planning services or advice-based work
<b>Asset-based fee</b>	tied to asset performance	market volatility independent of advisor performance sometimes not focused on planning services
<b>Hourly fee</b>	tied to time spent easy to understand	asset management service fees difficult to calculate greatest costs up front
<b>Annual fee</b>	compensates for all services not tied to markets	difficult to predict which services needed during whole year
<b>À la carte fees</b>	compensation appropriate to each service easy to assess & administer when several advisors	may be more expensive than consolidating advice

