

# PRACTICE FINANCIAL DEFENSE TAKE STEPS TO PROTECT YOUR WEALTH WITH SOUND FINANCIAL PLANNING



*Martial artists often say that the best defense is a good offense. That means proactive action, rapid moves, and forward momentum all lead to victory in the arena. Many go so far as to say, "the hand which strikes, also blocks," that is, there's no point in playing defense.*

But in financial management, nothing could be further from the truth.

"We've had clients that have come to us with their financial lives just broken, it wasn't because they messed

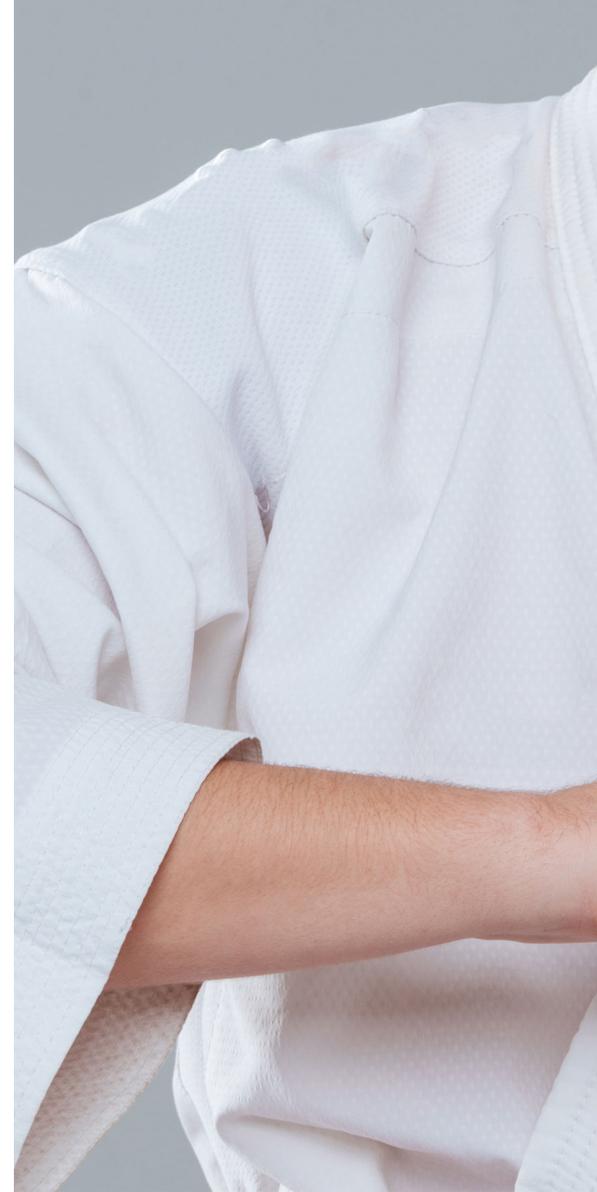
something up on the financial offense, it's usually because they missed something on financial defense," said Rob DeHollander (CFP®, AIF®, CRPC®), managing principal at DeHollander & Janse Financial Group. DeHollander added that many investors unknowingly have blind spots in their financial planning, such as an area insurance does not cover or a lack of contingency planning for an unexpected family death or disability.

DeHollander & Janse Financial Group, based in Greenville, South Carolina, offers asset management, financial planning, retirement planning, insurance, and other services to individual clients, and business services such as 401(k) management. The firm requires new clients possess \$250,000 in investable assets before signing on. DeHollander also noted that he seeks clients who want a long-term client-advisor relationship.

DeHollander & Janse Financial Group's clients fit into two large groups, DeHollander said. The first are successful people who have reached the point they need a professional to help provide trusted, knowledgeable advice.

"They're looking for a professional to give them advice on their strengths and weaknesses and see if there's anything they're missing or can improve on," he said.

The second kind of client recently had an unexpected life event – the death of a family member, an inheritance, or another life changing issue that emerged without warning. For these clients, DeHollander said education is key, and so is helping these investors sift through the



financial element.

"The problem today is that there's too much information out there and all that information doesn't necessarily translate into wisdom and good decision-making," he said.

Wisdom and decision-making ability often rest on whether the advisor really has their best interests at heart. DeHollander & Janse Financial Group operate using a fiduciary approach, meaning they strive to provide advice which is in the client's best interest, not their own bottom-line. Firm's failing to act as fiduciaries cost consumers big, according to official statistics.

The Consumer Financial Protection Bureau surveyed financial advisors and 56 percent reported working with a client who had been "... subject to an unfair, deceptive, or abusive practice," by a previous advisor. Moreover, the CFPB study found that a majority advisors believe older Americans are subject to a "... variety of practices that could violate federal and state laws ..."



Keeping the client's best interests in mind is another part of defensive financial planning. The majority of people exposed to allegedly illegal practices are offered "unsuitable" financial products or are subject to "omission of material facts and misrepresentations about financial products," the CFPB report said.

DeHollander holds himself and his firm to the fiduciary standard — he describes himself as a "big fan" of the Department of Labor's now-inert fiduciary standard rule that would have required a wide swath of financial professionals, including insurance brokers, to act as fiduciaries — to reassure clients that he's working to find the most suitable products for their needs.

DeHollander entered the financial advising field after an engineering and consulting career. Despite holding

degrees in chemistry and engineering, he took great joy in managing his personal finances, DeHollander told *The Suit Magazine*. At the age of 32, he "pulled a 180" and changed careers.

Some of the industry articles bother DeHollander. He believes the focus on lowering investor fees is important but much more important is the need for increased savings.

"The biggest issue today isn't the net performance clients are getting, it's the lack of savings," he said. "Returns can be 8 percent, okay, but if you need to be

saving 20 percent of your money, lower fees won't help you... I try to impress on clients in their 30s and 40s, just how much increased savings can help."

Another issue he highlights is the weakness of emerging "robo-advising" tools. While the new tools may be great as asset-allocation and handling simple portfolios, they remove the human element from financial planning, leaving clients alone with their often-unpredictable emotions, DeHollander said.

"Clients intellectually understand their finances ... But, emotionally, they don't stick with the plan when markets are at extremes," he said.

Not sticking to the plan when the market is at its peak or heading for the bottom can be disastrous for clients, and they can incur significant losses without a human advisor offering a "voice of reason," to help them stick with a long term plan, DeHollander said.

"The numbers show that clients are not making the right decisions with these tools," he said.

In 2017, DeHollander hopes to grow the firm's client-base and cadre of advisors. The firm is being "selective" about who to work with, but DeHollander sees significant growth on the horizon for the coming year.

The firm's focus on building customized solutions, including both financial offense and defense planning, and having honest conversations with clients helps assure investors their best interests are being looked after.

DeHollander said he works to build strong bonds with his clients, and that open conversations about difficult situations such as death, disability, and market volatility can be tough for investors, but are necessary to protect their hard-earned money.

"Sometimes it's not easy, but if we don't have these conversations with our clients, who will?" DeHollander said.

For more information see [www.djfinancial.com](http://www.djfinancial.com)

DeHollander & Janse Financial Group  
3515 Pelham Road, Suite 100  
Greenville, SC 29615  
Phone - 864-770-0220 ext. 101



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