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Financial planning: Who do you trust?
Many 'experts' out there, but a long-range plan is crucial

By STEVE ADAMS

Stock tips are crowding out shock jocks on radio. Fitness club TVs are just as likely to be tuned to CNBC as ESPN. And a study by the Internet measurement company Nielsen/NetRatings concluded that the most persistently visited web sites are devoted not to sex, but financial news and advice.

Despite – or because of – the 2-year-old stock market skid, fallout from Sept. 11 and the Enron factor, money talk remains ubiquitous, even if everyday investors view it with a jaundiced eye.

"The advice business is alive and well,"' said Bruce Addison of Scituate, managing director of First Union Securities' Boston office.

Financial journalist Louis Rukeyser once attracted millions of loyal viewers to his public TV show "Wall Street Week," although his stock newsletter lagged behind the market during the last six years.

Fired by PBS after 32 years, and criticized as out of touch, Rukeyser promptly landed at CNBC to host a similar show. The debut on April 19 was the cable network's highest-rated prime-time broadcast of the year, luring 609,000 viewers.

Financial consultant John Ciccone, founder of **The Capital Navigation Group**, said there's a difference between sound bites and sound advice.

"With the 24-hour news shows, the Internet, the cable networks, it makes people very confused," Ciccone said. "A lot of the information you listen to or read is based on multiple and conflicting opinions. It's also short-sighted."

"People need to really shut out the daily noise and stay focused on the big picture, which is their specific investment objectives," he said.

While most financial experts tell investors not to give up on a diversified stock portfolio, they say investors should become accustomed to single-digit returns. And if that's not sufficient to reach their financial goals, they need to extend their investment timeline or increase their savings rate.

After escaping "near-disaster" with a financial planner who recommended a risky stock buy, schoolteacher

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James Pickel of Braintree relies more than ever on his own judgment when making investment decisions.

"I read the (personal finance) columns," Pickel said. "But I don't pay a lot of attention to the so-called analysts because recently they've been under suspicion of pushing stocks they shouldn't be pushing."

For some investors, stock market fatigue is setting in. After losing roughly $100,000 in IRAs invested in aggressive investments, Janice Kelley of Plymouth said she didn't make an IRA contribution for the first time in decades.

"I couldn't get enthusiastic about investing any more money," said Kelley, a retired nurse and lawyer. "It's just seems like a bottomless pit."

Kelley invested regularly in IRAs since the government created the tax-deferred investment vehicle in the mid-1970s. She blames her recent losses – about 35 percent of her retirement nest egg – on poor performance of high-risk investments like Janus Mercury and Kinetics Internet.

And while she consults personal finance magazines for advice, she is skeptical about the cacophony of advice from the stock experts on TV.

"I think CNBC has had a negative effect on stocks because people tune in, see the market's down, and they panic," she said.

Daniel Candura, a certified financial planner for American Express Financial Advisors in Braintree, said investment tips are everywhere. "But information isn't knowledge," Candura said.

Financial advisers say their counsel to investors remains the same as it was before the bear market. Most still prescribe a steady diet of stocks for long-term investors.

"Stay invested," said Paul Hess, a certified financial planner in Braintree. "Stay diversified."

Daniel Leveroni, a Braintree certified financial planner, offers a three-pronged strategy for investors: Lower your expectations, extend your time horizons and step up your contributions into retirement plans.

"I don't think anybody thinks we're going to repeat the type of returns we saw in the 1990s," he said.

So who do you trust? Ciccone suggests an independent financial adviser whose approach reflects the investor's philosophy.

Investors should steer toward independent advisers rather those who are affiliated with a company that sells investment products, he said. And rather than hiring someone who gets paid a commission, seek an adviser who gets paid a percentage based upon a percentage of your portfolio's assets.

"When the investor wins, the adviser wins," he said.

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REPRINTER'S NOTE: John P. Ciccone, ChFC, CFS, Financial Consultant and founder of ***The Capital Navigation Group*** *has specialized in comprehensive financial consulting for over 20 years. John developed The Capital Navigation Plan™ in response to the unique dangers and opportunities his clients face. He works exclusively with closely held business owners and high net worth individuals. His office is located at 10 Post Office Square, 5th Floor, Boston, Ma 02109, 800.542.1545.*

IRAs are tax deferred investment vehicles for retirement purposes. Taxes are due upon withdrawl and if prior to the age 59 1/2 a 10% penalty will apply.

Mr.Ciccone is a financial consultant with and offers Securities and Investment
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