

Do Small Business Owners Need Financial Advisors?

By Dan Moskowitz | May 19, 2015 — 9:58 AM EDT

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To know the answer to the question in the title, you only need to look at one stat provided by American Express Open Forum: 30% of small business owners haven't calculated how much money they will need in retirement.

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You might be thinking: *If 70% of small business owners have calculated how much money they will need for retirement, then the demand for financial advisors shouldn't be too high.* However, consider another stat provided by American Express Open Forum: Less than 25% have a formal plan for transferring their business to a new owner when approaching retirement.

Only 40% of small business owners have consulted with a financial advisor. Given the stats above, this is a low percentage. Even if a small business owner has made necessary plans for the future, it would be difficult for that small business owner to invest strategically for the near future when he or she has to deal with personnel decisions, capital allocation, how to grow sales, how to cut costs, and constantly putting out fires. (For more, see: [401\(k\) Plans for the Small Business Owner.](#))

Most small business owners want their business, their future and their children's future to be in their control. This is understandable, but if all that time and energy is being put into the business, then who's going to keep a sharp eye on personal finances? A small business owner isn't going to have time to see if the US Dollar is appreciating or depreciating and how it might impact his Apple Inc. (AAPL) investment for the current quarter. He also doesn't have time to dig into 10-Qs and 10-Ks, follow interest rate moves, read Federal Reserve statements, and track foreign exchange movements. (For more, see: [Small Business: It's All About Relationships.](#))

In short, a savvy small business owner knows that delegation to the right party saves time and is fiscally rewarding. Therefore, that small business owner will strongly consider hiring a financial advisor. However, that's just the first step. Now that small business owner needs to figure out which financial advisor to hire. (For more, see: [These Professionals Need Financial Advisors.](#))