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For many people, it isn't not having enough money that has been the initial cause of financial related stress, it is the fact that they entrusted that money to the wrong person or company and they lost, in some cases, big time.

According to a 2015 "Stress in America" Survey, money and finances have remained America's top stressor since the survey began in 2007. Seventy-two percent of Americans reported feeling stress about money at some point within the last month, which suggests that financial worry isn't just for those at the lowest levels of income and net worth. The survey also explores the effect that financial stress can have on a person's health and well-being.

People often place their trust in financial professionals, because well, they are often told by an adviser or financial salesperson that:

"This high-yielding bond, or bond fund, is a great opportunity."

"You have to get into this new investment opportunity before it's too late."

"This annuity is definitely the safest way for you to invest because you can't lose, while getting the upside of the stock market."

And they are the so-called experts, right?

Sadly, the world of finance is wrought with people who have made a luxurious lifestyle for themselves by making money at the expense of uninformed consumers. When not bound by a fiduciary obligation to act in the best interests of their clients, many financial advisers and salespeople give in to the temptation of selling products that often put their own interests first, at the expense of their clients.

And then what happens? The promise of having your hard-earned savings managed by a trustworthy, knowledgeable professional, so that you can enjoy your life, can quickly dissolve into a nightmare of bad investments, depreciation, and remorseful feelings of significant regret. It often takes time for people to realize they are being misled, because no one wants to think that a professional, who told them everything was going to be great, would be so careless with their money, especially when they were being richly compensated for doing so. Sometimes, by the time people realize what has happened, so much has been lost that they begin to lose their emotional and physical well-being, as well as their wealth.

These losses, the feelings of betrayal, and the unexpected financial burdens they caused, have added up to tremendous amounts of stress in a relatively short period of time. The burden of financial uncertainty and the resulting stress can be the cause of a whole slew of health issues.

How Your Body Reacts to Stress

When you're under stress it can affect your cognitive functioning, raise your blood pressure, lower your metabolism, and cause you to breath heavier. These are the short-term effects of stress. In the long term, this type of physical reaction to stress for prolonged periods of time is known to increase the risk of heart disease and stroke, as well as cause digestive problems leading to unhealthy weight loss or gain.

Investment losses, particularly for those in retirement, who have minimal or no ability to earn the money back, can eat away at people's emotions. We are hard-wired to blame ourselves for our losses, even if we can see that we may have been misled and taken advantage of. This most certainly is not the way anyone would define sleep-well-at-night financial security.

The Fiduciary Oath

So what can be done to avoid these catastrophes other than hoarding cash and locking the door? While maintaining healthy habits like exercising, eating right, and practicing mindfulness or meditation have been proven to reduce stress, there is one more thing that can be done to avoid unnecessary financial stressors before they wreak havoc on your life and well-being – being certain that you only take guidance and advice from a 100% fee-only, fiduciary advisor.

There is currently a Department of Labor (DOL) bill in Congress that would require all personal financial advisors providing advice to clients relating to retirement accounts to act in the best interests of their clients. However, even if passed, it unfortunately is severely limited in scope as it does not require all advisors, at all times, to serve as a fiduciary. Thus, it is squarely upon the consumer to be certain to do thorough due diligence when working with a financial professional. Not only is it critical to ask the right questions, it's even more important to insist upon having the advisor sign a written fiduciary oath. This oath states that the adviser will, and must always, put the interests of their clients before their own and will receive no form of compensation from any other party, other than the client.

At the end of the day, it's paramount that you always remember: Caveat Emptor – let the buyer beware.

For a fiduciary checklist and oath to use or share with others, download our Fiduciary Checklist and Questionnaire by clicking here.

Sources:
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