

# LOOK WHO'S TALKING

JOHN RITTER

'We have an opportunity to turn the financial advice-giving industry into a true, respected profession'

Elected to the national board of the National Association of Personal Financial Advisors this summer, John Ritter, 37, finds himself in the middle of the nation's debate over how to overhaul regulation of the financial sector at the same time investors are anxiously reassessing after a disastrous 2008.

A financial adviser since 1993, Ritter – co-owner of Ritter Daniher Financial Advisory in Anderson Township – is the board's first representative from Greater Cincinnati and Northern Kentucky in about a decade.

**HOW WILL FINANCIAL advisers be affected by the current debate over financial regulatory reform?**

This may be the turning point where a fiduciary standard is mandated for all advisers (including possibly stockbrokers and salespeople dealing in financial products, such as annuities and mutual funds) – meaning that they legally would have to put the interest of their client before their own. If so, those financial salespeople that have been held to a lesser regulatory structure will have to modify how they give advice. For those that are already held to this higher standard, change may be very limited. Some of our competitors may be required to raise the bar on their standards and delivery of financial advice.

**WHAT DO YOU HOPE will**

**happen? What do you fear might happen?**

I hope the regulatory structure will be substantially strengthened, but I fear the lobbyists for the brokerage world will find a way to circumvent this, or water the regulations down so much that it renders the fiduciary standard meaningless. We have an opportunity to turn the financial advice-giving industry into a true, respected profession, which is what the consumer public should demand. The public should demand full disclosure of compensation, and full disclosure of conflicts of interests from their adviser.

**HOW HAS THE advice sought by your clients changed in the past two years amid recession, financial crisis, the 2008 stock market tumble – followed by re-**



Ritter

**surge since spring?**

As we've worked our way through the "Great Recession," many clients have been reassessing their risk tolerance, and for a period of

time they obviously wondered if the market pullback would ever end. Our advisory role often turned into a counseling aspect whereby we were trying to help them realize that the downturn was temporary, but a decision to sell out of a portfolio was permanent.

With the amazing market rebound we've witnessed from the March 9th lows, we can see that this was the best advice we could have possibly given. Now we are seeing clients focus their attention on the longer-term issues that our country faces, such as the likelihood of higher taxes in light of an enormous national debt, potential for higher inflation, continuing unemployment near 10 percent, and an economic recovery that looks like it could be long and drawn out.

— Alexander Coolidge