

## Selecting a Financial Planner

Most individuals interview potential financial advisers before making a final selection as to who is best suited to help them.

But what questions should you ask?

## The Interview

Typically, financial planners will offer a free initial one-hour consultation during which a preliminary screening is done of your information in order to determine whether the firm will accept you as a client. At the same time, you should be using this free interview to screen the potential adviser to see if he or she is someone you will trust and with whom you would feel comfortable.

### Background and Education

- Educational background
- Financial Planning education and designations
- How long has the planner been providing services?
- What organizations do they belong to?
- Any regulatory disciplinary actions?

### Services provided

- Cash management
  - Investment management
  - Retirement planning
  - Tax planning
  - Estate planning
  - Insurance needs including life, disability, health and property/casualty
  - Other
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## Compensation

How is firm compensated, fee only, commission only or a combination of both

Hourly rate

Flat fee or range of fees

Percentage of Assets - which ones

Commission only

Fee and commission

Fee offset (a flat fee offset by commissions charged)

Performance fees

## Compliance

Registered with SEC

Registered with State

Generally, the planner will provide an estimate of expected income to the firm and all affiliates because exact amounts may be unknown at the time recommendations are made. However, the planner should specify amounts to as great a degree of accuracy as possible. The planner and the client should be able to rely on this information if there is a question about whether the planner made a good-faith effort to fully disclose compensation.

## Conclusion

This information is designed to help you choose and evaluate a financial adviser. However, it is by no means foolproof.

In addition, keep in mind that just because an individual receives commissions does not mean he/she will not be a good financial adviser. You will need to make this judgment for yourself because a good relationship with generally result in a good plan!