



**Financial Planning Solutions, LLC**

Creating your ideal tomorrow while living well today™

## Questions to Ask a Financial Advisor

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### *Looking to hire a Financial Advisor?*

Here are some things to consider and questions you may want to ask when interviewing an advisor:

#### First ask yourself, “What type of help am I looking for?”

if you are looking for someone to help get your financial house in order, a CERTIFIED FINANCIAL PLANNER™ practitioner or CFP® may be a great fit. A CFP® has been trained in the areas of investments, retirement, insurance, taxes, estate planning, and overall personal financial planning. They may also have specialized training in other areas such as college funding, working with widows, or divorce.

#### Question #1. Are You a Fiduciary?

A Fiduciary always puts the client first. Even though conflicts of interest can be present in any relationship, a Fiduciary should work to eliminate conflicts wherever possible.

#### Question #2. How do you get paid?

If one wants to avoid conflicts of interest, a good place to start is to work with a Fiduciary that is also Fee-only. This means they do not sell investments, insurance, or other products. They accept no commissions or incentives and are only paid by the client.

Some Fee-only advisors charge a percentage of the assets they manage. (1% is a common industry standard, however, this fee percentage can adjust for the amount of assets one is managing). They can also charge a flat fee. This is usually for a body of work such as a comprehensive financial plan. Some also charge hourly like an attorney, or on a retainer basis for longer term relationships.

#### Question #3. What will it cost me to work with you?

The advisor should outline what your exact costs will be *before* working together. They might need to gather some more detailed information from you before providing this information.

#### Question #4. What are your qualifications and how long have you been practicing?

There are many terms and designations tossed around in the industry so it can get a bit confusing. The most popular and most recognized is the CFP® designation. The CFP designation covers all aspects of one’s personal finances. Click [HERE](#) to read what is required to use the CFP® marks. Working with an advisor that has decades of experience with clients can be a real plus. They most likely have seen a lot over the years and can bring a unique perspective to your personal situation.

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There are many other designations out there as well. Be mindful that some of those designations do not require the education, testing, and experience of the CFP® designation.

#### Question #5. How will we work together?

Will we be working together, or do I speak with someone else each time I reach out? If working with a smaller firm, you will most likely have the same contact person. With very large firms, depending on the structure of the business, you may get an 800#. It is important to ask how this would work. You should also find out how often you will speak or meet and if there are any limitations or additional costs.

#### Question #6. What types of clients do you generally work with?

This is an important question as well. If you are married couple with three small children and concerned about paying for college, and the advisor primarily works with small business owners establishing benefit packages and other business-related activities, you probably aren't a good fit.

#### Question #7. Do you have an independent custodian?

A custodian is an entity that hold a client's investments, generally in a brokerage account. This provides an important layer of security to the client. An investment professional that does **not** utilize an independent custodian is a huge red flag. Check out the custodian and learn what their level of consumer protection is as well as how often they provide statements and other information.

#### Question #8. What is your investment philosophy, and can I invest in a way that aligns with my values?

If their philosophy doesn't align with yours, it probably is not a good fit. Ask what types of investments they generally offer for their clients. Individual stocks or bonds, Mutual funds, Exchange Traded Funds, Limited Partnerships, Hedge Funds, etc. They should also explain how the investments they recommend work.

Don't be shy about asking questions. You may not know how to put your financial house in order on your own and that's okay. That is why you are taking this important first step!

***We are here to help. Give us a call at 617-630-4978 or contact us [HERE](#)***

#### Disclosure

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