

IMPORTANT AND DIFFICULT QUESTIONS TO ASK YOUR ADVISOR



We recommend performing due diligence on the advisor or advisory team that you are considering for your Financial Life Planning needs. Prior to your initial meeting, we recommend checking the Financial Industry Regulatory Authority (FINRA.org) website. This report will also disclose situations such as bankruptcy, unpaid judgments, liens, customer disputes and arbitrations. Also, it will inform you of any criminal charges, convictions, formal investigations or disciplinary actions initiated by the regulators.

After gathering information, we recommend interviewing at least three financial advisors before deciding who fits your needs.

When interviewing a Financial Advisor, start with questions about their practice in general terms, such as their investment and client philosophy. Your intention is to be sure the services they offer match your needs. Here are some questions to ask:

How many clients do you work with?

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Are you currently engaged in any other business, either as a sole proprietor, partner, officer, employee, trustee, agent or otherwise?

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Will you, an associate or a team be working with me?

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Will you explain what a Fiduciary is?

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Do you provide a comprehensive written analysis of my financial situation along with recommendations?

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Do you offer advice in:

- Goal Setting
- Cash Management/Budgeting
- Tax Planning
- Investment Review and Planning
- Estate Planning
- Insurance Needs
- Education Funding
- Retirement Planning

After you learn the basics, find out more about their qualifications.

What is your educational background?

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What are your financial planning credentials/designations?

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The CFP[®] designation means they have passed a rigorous test administered by the Certified Financial Planner Board of Standards. It also means they must commit to continuing education to maintain their designation. The CFP[®] credential is a good sign that a prospective planner will give sound financial advice.

How long have you been offering financial planning services?

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Do you have clients who might be willing to speak with me about your services?

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Will you provide me with references from other professionals?

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Have you ever been cited by a professional or regulatory governing body for disciplinary reasons?
(Also available on the [FINRA.org](https://www.finra.org) website.)

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What more can you tell me about your experience in providing financial planning services?

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Ask for the code of ethics they follow. CERTIFIED FINANCIAL PLANNERS TM are held to the CFP® Board's Code of Ethics, which requires them to act as a "fiduciary." In short, this means the planner has pledged to act in a client's best interests at all times. This point is critical.

How is your firm compensated and how is your compensation calculated?

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Do you have an agreement describing your compensation and services that will be provided in advance of the engagement?

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Do you receive referral fees from attorneys, accountants, insurance professionals, mortgage brokers, etc.?

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Are there financial incentives for you to recommend certain financial products?
How does one pay for your services?

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Ask about expectations moving forward. The purpose for these questions is to better understand how the relationship with your Advisory team will be serving you.

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Do you offer continuous, on-going advice regarding your financial affairs, including advice on non-investment related financial issues?

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Do you offer an online platform or some level of technology integration so you can view your account, net worth, budget, etc.?

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As the meeting ends there's one last question you want to ask yourself:

Does this feel like a good fit? Can you see yourself having an on-going, engaged relationship with this advisor or advisory team?

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