Questions To Ask Before You Hire A Financial Advisor

1. **What experience do you have? How long have you been in the financial services industry?**

   Ask for a brief description of the financial advisor's work experience and how it relates to their current practice. Check and verify their background. Visit brokercheck.finra.org.

2. **What are your qualifications? Do you have a CFP, CFA, CPA, JD?**

   Ask about the credentials your advisor holds and learn how she stays up to date with current changes and developments in the financial advisory field.

3. **Will you be the only financial advisory working with me? Do you have a partner or team available who will know the specifics of my plan/portfolio should you be away or unavailable? Who are they and what are their credentials?**

   Some financial advisors work with their clients directly, and others have a team of people that work with them.

   What is the client to advisor ratio for the firm?

4. **Are you a full-service wealth management team? Do you have a team of experienced, credentialed professional who can address financial planning and investment management, and will be able to identify and address my financial situation as it changes over time? Do you work with professionals outside of your practice including attorneys, tax specialists, and insurance agents?**

   Credentials, licenses and areas of expertise are all factors that determine the services a financial advisor can offer. Generally, financial advisors cannot sell insurance, or securities products such as mutual funds or stocks, without proper licenses. And they cannot give investment advice unless registered with state or federal authorities.

5. **What is your approach to financial planning? What planning tools do you use? Do you charge separately for a financial plan? How often do you review/revise them?**

   How do you tie my plan to my personal investment solutions?

   What is your investment approach? Do you have an appropriate asset allocation strategy that considers my long-term financial goals alongside the level of risk I feel comfortable taking? What is your long-term performance history?

   What type of on-line access is available to you (statements, daily trades, tax documents)?

   The firms' investment approach should be clearly articulated and easy to understand. It should be applied consistently across market cycles. It's difficult, if not impossible, to know which market segments will outperform from one period to another. The goal to diversifying ones' portfolio is to be prepared for when markets go up or down and not try to time the market or beat it. You need to stick to your plan and be in it for the long-term. And be sure the advisor's investing philosophy isn't too cautious or overly aggressive for your needs.

6. **Can you customize a portfolio to include any goals I have for incorporating ESG and impact investing into my portfolio? If so, how is this done?**

7. **Will you discuss my giving goals and desires to explore philanthropy as part of my financial plan?**

8. **How will I pay for your financial advisory services? Where can I see the fees I am paying?**

   Advisors can be paid in several ways: through fees, commissions, or a combination of both. **As part of your written agreement, your financial advisor should make it clear how they will be paid for the services provided.**

   Although what you pay will depend on your particular needs, the advisor should be able to provide you with an estimate of possible costs based on the work to be performed. Costs should include the advisory's hourly rates or flat fees, or the percentage of commission received on products you may purchase.

   The preferred method of payment is a fee based on assets under management. So the only way they make money is if your assets grow. You really don't want them being paid to put you in specific funds or other products!

9. **Are you a fiduciary? Do others stand to gain from the financial advice you give me?**

   Many financial professionals agree to abide by a strict code of professional conduct such as the **Fiduciary Standard and have an ethical obligation to put your needs first** when providing financial advisory services. Be sure your advisor is a fiduciary!

10. **What types of clients do you typically work with? What is your approach to relationship management? How often do you meet with your clients? How often do you keep in contact via phone or email in between meetings? What is your preferred method of communication?**

    Some financial advisors require you to have a certain net worth or dollar amount of assets under management before offering you their services, so it's important to make sure the advisor is a good fit for your individual financial situation.

    What is your client retention ratio?

11. **Has there been a complaint filed against you? If so, what were the circumstances and how was it resolved? Have you ever been publicly disciplined for any unlawful or unethical actions in your career?**

    The CFP Board, the Financial Industry Regulatory Authority (FINRA), and your state insurance and securities departments each keep records on the disciplinary history of financial planners and advisors. Visit brokercheck.finra.org.

    Does the firm practice strict confidentiality and have a strong cyber security system?

12. **Can you provide references?**

13. **Finally, trust your gut. Do you experience a feeling of "trust" upon meeting the potential advisor? Has the potential advisor listened to your concerns and goals around your finances? Will the advisor look at your situation holistically, i.e. all areas of your financial life versus just focusing on investments? Will the advisor make a good partner?**