



7 Questions to Ask When Meeting With a Financial Advisor

BY

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WEALTH

ARE YOU A FIDUCIARY?

The answer to this should be a quick "yes". Even though the word's hilarious, it's important because being a fiduciary means that you must put the client's financial interests above your own. Unfortunately, not every advisor is a fiduciary meaning they may make recommendations that benefit them and not you.

ARE YOU FEE-ONLY?

Fee-only financial advisors do not accept commission or income from investments they recommend, which results in less conflict of interest. Advisors who are not fee-only can make higher commissions from certain investments or products and those may not be in your best interest.

HOW OFTEN DO YOU COMMUNICATE WITH YOUR CLIENTS?

This question is so you can get an understanding of how often the advisor will reach out to provide updates, how often they email you or call you, etc. Don't be afraid to move on if an advisor's processes don't line up with what you're looking for.

WHY DID YOUR LAST CLIENT HIRE YOU?

You're giving the advisor a chance to brag about himself/herself while still gaining some valuable insight at the same time. If the advisor says that someone hired them because he/she understood their student loan situation and you happen to be in that same situation, it makes sense to consider working with them.

HOW DO YOU MEASURE SUCCESS IN MY PLAN?

Measuring success depends greatly on what your goals are but all advisors should have a process for keeping track of progress and meetings with you to review.

If you are wanting to save towards a down payment on your first home, success could be measured by looking at how much has been saved over a certain period and if that amount is on track with your goal down payment amount. You may also have a goal of getting a certain return on investments and that can be measured by evaluating the annual return of your portfolio.

HOW DO YOU GET PAID?

This can be an alternative to the question “are you fee-only?” but it can also be a follow up to the question if the advisor answers “no”. It might be a good idea to do some research and have an idea of how you want to pay in your head before you meet with an advisor so you don’t get caught up in their likely financial jargon. Some ways that you might pay for your advisor are:

- Percentage of assets under management (1% industry average)
 - There can be underlying fees in these investments that aren't advertised..
- Hourly rate
- Monthly subscription
- Project work

WHAT KIND OF TECHNOLOGY DO YOU USE?

In today’s world, video conferencing is the bare minimum for technology so if an advisor hasn’t fully adapted to the rapid changing tech environment, you may consider looking elsewhere.

Some of the newest advancements in technology in financial advising consist of: online financial plan building, secure data gathering, virtual meetings, an app that serves as your financial dashboard with all of your financial advising information, docusigned agreements, and the list goes on.

If you'd like to meet with a financial planner without being sold to, schedule a free Get to Know call here.

And take some time to think about it.

Working with a financial planner shouldn't be an impulse decision.

Also, here's a database of 700+ other fee-only financial planners.

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