

Money Zone: Finding an Advisor

Just For You: Finding an Advisor—Step-by-Step

Just as when choosing a doctor, you want to find a financial advisor who has the experience and expertise you need and whose opinion you trust. Some planners are focused on selling products to boost their fees rather than tailoring an investment strategy for your individual needs, while others can be “pushy” or condescending.

But take heart—there are plenty of highly qualified financial advisors out there. In fact, independent planners and large financial firms are more eager than ever to attract a female clientele, since they now recognize that women have wealth at their disposal, and the earning power to acquire more.

What Matters Most

First, determine what is most important to you in a financial planner. Which of these statements most matches your attitude?

- I am overwhelmed by my financial situation and I need help sorting through my options.
 - I don't have enough time to devote to researching my investments properly.
 - I am comfortable with the basics but would like to learn about more complex topics in investing.
 - I am hoping to gain better investment performance.
 - I have recently been through a life transition and I need help getting back on track.
 - I just want a brief review of my financial status to see if I'm making the right decisions.
 - I have a lump sum of money and I need to know what to do with it.
 - If none of these match, fill in your own description here.
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Find Advisors

Asking friends, colleagues, business associates, and family members for referrals is a good place to start. In addition, check out these industry organizations:

- [The Financial Planning Association](#) at 1-800-945-4237 provides a list of certified financial planners in your local area, as well as other free information about financial planning for consumers.
- [The National Association of Personal Financial Advisors \(NAPFA\)](#) at 1-888-FEE-ONLY (333-6659) provides referrals to fee-only (non-commission) financial planners in your state.
- [Society of Financial Service Professionals](#) (formerly the American Society of Chartered Life Underwriters (CLU) and Chartered Financial Consultants) at 1-888-243-2258 will send you up to five names of Society members in your area. Many of these advisors specialize in insurance and estate planning services.
- [American Institute of Certified Public Accountants \(AICPA\)](#) at 1-888-999-9256 provides referrals to personal financial specialists (PFS), licensed accountants with a minimum of three years of financial planning experience.

Interview Advisors

Once you've narrowed your search to a few names, you'll need to interview your prospective advisors. Here are some things you'll want to know:

- How long have they been in business, and what is their background?
- What services do they provide? Some advisors only offer investment planning services and are not licensed to buy and sell investments.
- What kind of clients do they work with? If an advisor deals primarily with young families and you're a single woman in retirement, you may want to shop elsewhere.
- How often would you meet? At the very least, you should get together for an annual review, but many planners prefer to meet quarterly.
- Is there a minimum account balance they require, and how will they be paid? Although some financial planners still earn commissions, many are switching to a fee-based practice and charge a flat rate, valued at about 1% of your assets under management.
- Have they ever faced disciplinary action? You can check an advisor's professional record by contacting the National Association of Securities Dealers at (800) 289-9999 or www.nasd.org.

You also want to make sure your advisor asks a lot of questions about *you*. He or she should inquire about your current financial situation, family, career goals, present and future income needs, and investment objectives. On a more personal level, the advisor should want to know your feelings about money, your hopes and fears, and how much risk you are comfortable with. Many planners use extensive personality and financial questionnaires to gather this information, which can be an asset. But don't be fooled by flashy charts or presentations. At the end of the day, you want to feel like your advisor understands you as a person and cares about your financial needs. After all, this is someone you're trusting with your money, and your future. If your gut tells you it's not the right fit, keep exploring your options until you find someone with whom you're comfortable.

Maintain Your Relationship

Once you have established a relationship with a financial advisor, you'll want to ensure that it stays successful with ongoing communication. Be sure to tell your advisor of any events in your life that may affect your financial plan or your investments. When you meet with your advisor, make sure that these concerns are addressed:

- How is my portfolio doing in relation to the goals we've outlined?
- Why is my portfolio over-performing or under-performing? What actions, if any, are needed?
- What new trends in the financial planning industry can help me in my business?
- What adjustments to my portfolio are needed due to changes in my life?