

## 10 Questions to Ask When Choosing a Financial Planner

*By John B. Clair, CFP®*

You may be considering seeking help from a financial planner for a number of reasons, whether it's deciding to buy a new home, planning for retirement or your children's education, or simply not having the time or expertise to organize your finances. Whatever your need, working with a financial planner can be a helpful step in securing your financial future. The questions below have been prepared to help you choose the financial planner who's right for you.

### What experience do you have?

Find out how long the planner has been in practice and the number and types of companies with which he or she has been associated. Ask the planner to describe his work experience and how it relates to his current financial planning practice. Choose a planner who has a minimum of three years' experience counseling individuals on their financial needs.

### What are your qualifications?

The term "financial planner" is used by many financial professionals. Ask the planner what qualifies her to offer financial planning advice and whether she holds a financial planning certification such as the CERTIFIED FINANCIAL PLANNER™ or CFP® marks.

### What services do you offer?

The services financial planners offer depend on a number of factors including their credentials, licenses and areas of expertise. Financial planners cannot sell insurance or securities products such as mutual funds or stocks without the proper licenses, or give investment advice in most states unless registered with state or federal authorities.

### What is your approach to financial planning?

Ask about the type of clients and financial situations the planner typically works with. Some planners prefer to develop one plan by bringing together all of your financial goals. Others provide advice on specific areas, as you may need it. Ask the planner if he requires you to have a certain net worth before working with you and if he will implement financial recommendations or refer you to others.

### Will you be the only person working with me?

The financial planner may work with you alone or be assisted by others. You may want to meet everyone who will be working with you. If the planner works with professionals outside her own practice, get a list of their names to check backgrounds.

### How will I pay for your services?

As part of your financial planning agreement, the financial planner should clearly tell you in writing how he will be paid for the services to be provided. Planners can be paid in several ways including salary, fees, commissions or a combination of these methods.

### How much do you typically charge?

While the amount you pay the planner will depend on your particular needs, the planner should be able to provide you with an estimate of possible costs based on the work to be performed.

Could anyone besides me benefit from your recommendations?


Ask the planner if she has business relationships or partnerships that could affect her professional judgment while working with you. For example, financial planners who sell insurance policies, securities or mutual funds, have a business relationship with the companies that provide these financial products. The planner may also have other business relationships or partnerships that should be disclosed to you.

Have you ever been publicly disciplined for any unlawful or unethical actions in your professional career?

Several government and professional regulatory organizations, such as the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission (SEC), your state insurance and securities departments, and the CFP Board keep records on the disciplinary history of financial planners and advisers. Ask which organizations the planner is regulated by and contact those groups for disciplinary information.

Can I have it in writing?

Ask the planner for a written agreement detailing the services that will be provided. Keep this document in your files for future reference.

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