



LET'S MAKE  
A PLAN

■ HOW TO CHOOSE A PLANNER

# 10 QUESTIONS TO ASK YOUR FINANCIAL ADVISOR

Choosing an advisor is one of the most important financial decisions you will make. It will take some work on your part, but partnering with the right financial advisor can help reduce your financial stress and give you confidence and security today and in the future. Below are issues you will want to explore before you hire someone to be your financial advisor. You can ask these questions at your first meeting or send them in advance so the advisor is ready to address them when you meet. You might also find some of this information on the advisor's website.

Whether you have been referred to a financial advisor by a friend or family member or have found one using our Find a CFP® Professional tool, be sure to interview the advisors you are considering to find the one who is the best fit for you.

## TOPICS TO DISCUSS

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### WHAT ARE YOUR QUALIFICATIONS AND CREDENTIALS?

Ask about the credentials your advisor holds, and learn how he or she stays up to date with current changes and developments in the financial planning field. CFP® professionals commit to [CFP Board](#) to expand their knowledge and stay informed through mandatory continuing education.

Also, ask for a brief description of the advisor's work experience and how it relates to his or her current practice. CFP® professionals have at least two years of personal financial planning experience.

**2**

## **WHAT SERVICES DO YOU OFFER?**

Credentials, licenses and background are all factors that determine the services an advisor can offer. Ask your advisor what products, services and advice he or she can offer that match your needs.

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## **WILL YOU HAVE A FIDUCIARY DUTY TO ME?**

You should ask the financial professional to commit to you, in writing, that she/he will have a fiduciary duty to you. A fiduciary is someone who will put your interests ahead of theirs. This is important because there may be situations where the interests of the financial professional conflict with your interests. A fiduciary has an obligation to disclose the conflicts of interest and continue to put your interests first. That may seem like common sense, but not all financial professionals have a fiduciary obligation.

One benefit of working with a CFP<sup>®</sup> professional is that all CFP<sup>®</sup> professionals, as part of their certification, commit to CFP Board to act as a fiduciary at all times when providing financial advice to a client. CFP Board may sanction a CFP<sup>®</sup> professional who does not abide by this commitment, but CFP Board doesn't guarantee a CFP<sup>®</sup> professional's services. You want a financial advisor who has made a commitment to you to act as a fiduciary. Therefore, whomever you choose as your financial professional, including a CFP<sup>®</sup> professional, you should be sure to ask for—and get—a written engagement that requires them to have a fiduciary obligation to you.

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## **WHAT IS YOUR APPROACH TO FINANCIAL PLANNING?**

Ask the advisor if he or she will create a comprehensive financial plan for you. Also, ask if he or she will implement the plan and recommendations and/or work with other professionals to do so. In some instances, other professionals will implement the recommendations or you may want to implement them yourself.



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## **WHAT TYPES OF CLIENTS DO YOU TYPICALLY WORK WITH?**

Some financial advisors prefer to work with clients whose assets fall within a particular range, so it's important to make sure the advisor is a good fit for your individual financial situation. When you search for a CFP® professional using our Find a CFP® Professional tool, you can specify your investable asset range to find an advisor who has indicated that he or she accepts new clients with your level of assets. Investable assets include cash, checking and savings accounts, stocks, bonds, mutual funds and retirement accounts. You can also search by focus area or language(s) spoken.

If you have any unique circumstances, make sure to mention them to the advisor so that you are able to decide if the advisor is a good fit for your circumstances. A CFP® professional may self-disclose in their profile if he or she specializes in a certain area, such as working with small business owners or with women.

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## **WILL YOU BE THE ONLY ADVISOR WORKING WITH ME?**

Some financial advisors work with clients directly, and other financial advisors have a team of people that work with them to serve clients. Ask who will be working with you, and ask whether the advisor works with professionals outside his/her own practice. If yes, ask for a list of their names, roles and qualifications.



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## **HOW WILL I PAY FOR YOUR SERVICES?**

You can pay for financial advice in several ways. You may pay a fee based on a percentage of the investable assets the financial advisor manages for you. You may pay an hourly rate or a fixed fee by the service. You may also be able to pay a monthly or quarterly retainer fee (also known as a subscription fee) for the services of a CFP® professional on an ongoing basis. Some CFP® professionals may earn a commission on a transaction. Typically, a commission is compensation for buying or selling a financial asset, such as a stock. A CFP® professional is able to disclose that information to you along with the fee structure. Your advisor should clarify how he or she expects to be paid for services rendered.

**8**

## **HOW MUCH DO YOU TYPICALLY CHARGE?**

How much you pay will depend on your needs and circumstances. The advisor should provide you with an estimate of possible charges based on the services that will be utilized and any products that will be used to implement your plan.

**9**

## **DO OTHERS STAND TO GAIN FROM THE FINANCIAL ADVICE YOU GIVE ME?**

Ask the advisor to describe any potential conflicts of interest. For example, advisors who sell insurance policies, securities or mutual funds may have a business relationship with the companies that provide these products. You get to decide whether to accept the conflict or work with someone else.



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## HAVE YOU EVER BEEN PUBLICLY DISCIPLINED FOR ANY UNLAWFUL OR UNETHICAL ACTIONS IN YOUR CAREER?

Ask your advisor if he/she has ever been publicly disciplined by any organization that oversees his or her conduct. Information about financial advisors who are subject to Financial Industry Regulatory Authority or Securities and Exchange Commission oversight is available through [FINRA's BrokerCheck](#) and the [SEC's Investment Adviser Public Disclosure](#) databases. Information also is available on the websites for the state securities or insurance regulator in the states in which a CFP® professional is licensed for securities or insurance. As a nonprofit professional body, CFP Board has its own process for enforcing its standards. CFP Board disciplinary history of a CFP® professional can be found through our [Verify tool](#).