

How to Choose your Financial Advisor

7 steps to picking the right financial advisor for you



WEALTH LEGACY INSTITUTE

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1. Competence

Ask the advisor what experience and training he or she has had with clients like you. Also, knowing an advisor's formal educational background, both what they studied and where they went to school, may provide insight into their general intelligence, knowledge and problem-solving ability.



2. Credentials

Credentials provide further insight into the advisor's specialties and commitment to ongoing education. Key credentials include:

- CFP® for Certified Financial Planner
- CFA® for Chartered Financial Analyst
- ChFC® for Chartered Financial Consultant
- CLU® for Chartered Life Underwriter.



3. Clean Record

See if complaints have been filed against the financial advisor you are considering. For unbiased information about advisors and their businesses, go to brokercheck.finra.org

4. Client Service

Ask the advisor about their process for providing updates on your accounts. At minimum, your advisor should meet with you once or twice a year to do four things:

1. Set annual goals
2. Rebalance your portfolio
3. Check the progress of your financial plan
4. Create a year-end tax strategy

Also, be sure to ask the advisor if they will be available to answer any just-in-time questions, such as leasing vs. buying a car or refinancing a mortgage.





5. Communication

Ideally, the advisor will assess your communication preferences to determine how best to work together. Do you prefer specifics and details or bullet points and the big picture? Would you rather have formal structured meetings or informal relaxed conversations? Will communication occur in person, over the phone, or via e-mail? An advisor who understands your communication preferences will be able to communicate in a way that reinforces your long-term success.

6. Commitment

A financial advisor should have commitment to ethical behavior and high professional standards. This is often displayed by membership or affiliation with professional organizations, such as the National Association of Personal Financial Advisors (NAPFA), Financial Planning Association (FPA) or the National Association of Estate Planners and Councils (NAEPC).



7. Chemistry

Search for a financial advisor who listens to your concerns and answers questions in a way you understand. A competent advisor will want to know your emotions around money, aspirations and goals. If you do not feel comfortable sharing personal information, move along until you find an advisor you trust.

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