



October is National Financial Planning Month

Five tips to finding a financial planner that fits you and your family

The financial planner you pick to manage your assets and advise you on key financial decisions affects your retirement and other major financial goals more, maybe, than even you. Make the right choice.

When trying to find a financial planner, you may ask your attorney or accountant for a referral. Makes sense, as you trust their advice.

Just as important, these professionals cross-pollinate with the planners of many clients, so often they know a variety of financial planners and who might fit best with you.

Asking people you trust ranks high on the list of steps to finding the best financial planner. Your vetting can't end there, though. Here are five more considerations:

What Type of Planner Do You Want?

Are you looking for someone to just manage your investments or do you want more comprehensive financial planning?

Some planners integrate tax, estate and retirement planning into services, as well as investment management.

Consult Financial Planner Lists

While there is no perfect ranking, these lists can provide the names of some of the biggest and best planners in the industry.

There will be lots of results if you search for “Top Financial Planner Lists” and each list is compiled with different criteria. And while not perfect, of course, it's a good place to start.

Look at a Firm's Website

Ultimately a marketing tool of each firm, a website is also useful to see how well prospective planners communicate with clients.

Do they use financial jargon or explain financial concepts in plain English? Clearly explain services and how they work with clients? Does the overall presentation on their site stand out in some way? What does your gut say?

Compensation

You need to know how any planner you might engage makes their money. Does their advice depend on your best interest or on a potentially hefty commission? You may not immediately spot some fees and commissions, so it's important to ask.

Generally, there are three types of planners:

- **Fee-only:** These fiduciaries don't earn commissions or other fees on the investments they recommend. Instead they charge an annual fee, typically a percentage of the assets they manage for you, a flat fee for services or sometimes both.

- Registered representatives: The term “stockbroker” is not used much anymore, but registered reps can earn commissions on investments or insurance products they recommend. They are not fiduciaries, meaning they only need to recommend investments suitable for you, whereas fiduciaries must act exclusively in your best interest.
- Independent or dually registered: These planners can charge a fee for managing assets and make commissions on investment or insurance products they recommend. Ask what commissions they receive and if they receive rebates from mutual fund companies in the form of marketing fees.

Meet Them

You learn much more about a financial planner during a meeting. Do they ask questions to better understand what you want from a planning relationship? Do they follow a pre-determined agenda or presentation or are they interested in knowing what’s important to you?

When you do meet with a potential planner, make sure you come prepared with questions. You might want to know how often the planner communicates with you and how, as well as how they develop investment strategies or what expertise they have in tax or estate planning.

Your choice of a financial planner affects the quality of your money decisions. Follow these suggestions and carefully vet planners and their firms and you will be well on your way to finding the best financial planner for you and your family.