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## Resources for Selecting a Financial Advisor

From the [www.investopedia.com](http://www.investopedia.com) website:

Every financial planner is also a type of financial advisor, but every financial advisor is not necessarily a financial planner. NAPFA, the National Association of Personal Financial Advisors, claim there are more than 100 certifications available that a financial advisor might attain. ...and...

According to FINRA, the Financial Industry Regulatory Authority, almost anyone can call him or herself a financial planner and might come from many different types of backgrounds. Financial planners might be brokers or investment advisers, insurance agents, practicing accountants or individuals with no financial credentials. That is why the consumer must perform his or her due diligence before turning their money over to any sort of financial advisor. (For more, see: *Top Financial Planning Colleges.*)

***Ask yourself, “Do I want someone to manage my money or someone to sell me insurance to protect my family –or- do I want help with investments and money management plus someone to give me advice on protecting me and my loved ones against death or disability, minimize my taxes, help with my budgeting and cash flow, retirement planning, and/or legacy and estate planning?” If it’s the former, you’re looking for a financial advisor, if it’s the latter, you’re looking for a CFP®.***

From <http://www.letsmakeaplan.org/> the Certified Financial Planning (CFP®) Website: Before establishing a relationship with a financial planner, you will want to interview several people to make sure they’re the right match for you and exhibit key traits of a good advisor. Here are 10 important questions to ask before selecting a financial planner.

### ***1. What experience do you have?***

Ask for a brief description of the financial planner’s work experience and how it relates to their current practice. CFP® professionals must have a minimum of two years professional experience related to financial planning.

### ***2. What are your qualifications?***

Ask about the credentials your planner holds and learn how they stay up to date with current changes and developments in the financial planning field. CFP® professionals

expand their knowledge and stay informed through mandatory continuing education courses.

**3. *What financial planning services do you offer?***

Credentials, licenses and areas of expertise are all factors that determine the services a financial planner can offer. Generally, financial planners cannot sell insurance or securities products, such as mutual funds or stocks, without proper licenses. And they cannot give investment advice unless registered with state or federal regulatory bodies.

**4. *What is your approach to financial planning?***

Make sure the planner's investing philosophy isn't too cautious or overly aggressive for your needs. Learn how they will carry out recommendations or refer tasks to others.

**5. *What types of clients do you typically work with?***

Some financial planners prefer to work with clients whose assets fall within a particular range, so it's important to make sure the planner is a good fit for your individual financial situation. Keep in mind that some planners require you to have a certain net worth before offering services. When you search for a CFP® professional on this site, you can specify your investable asset range to find a financial planner whose services best match your needs.

**6. *Will you be the only financial planner working with me?***

Some financial planners work with their clients directly, and others have a team of people that work with them. Ask who will handle your account, meet them and ask whether the planner works with professionals outside their own practice, such as attorneys, insurance agents or tax specialists. If yes, get a list of their names to check on their backgrounds.

**7. *How will I pay for your financial planning services?***

Planners can be paid in several ways: through fees, commissions or a combination of both. As part of your written agreement, your financial planner should make it clear how they will be paid for the services to be provided.

**8. *How much do you typically charge?***

Although what you pay 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. Costs should include the planner's hourly rates or flat fees, or the percentage of commission received on products you may purchase.

**9. *Do others stand to gain from the financial advice you give me?***

Ask the planner to provide you with a description of his conflicts of interest in writing. For example, financial planners who sell insurance policies, securities or mutual funds may have a business relationship with the companies that provide these financial products. CFP® professionals agree to abide by a strict code of professional conduct

and have an ethical obligation to put your interest first when delivering financial planning advice and services.

**10. Have you ever been publicly disciplined for any unlawful or unethical actions in your career?** CFP Board, the Financial Industry Regulatory Authority (FINRA), and your state insurance and securities departments each keep records on the disciplinary history of financial planners and advisors. Ask which organizations the planner is regulated by and contact these groups to conduct a background check. CFP® professionals are subject to disciplinary action if they violate CFP Board's standards.

*Joy D. Kirsch's additional suggested questions:*

**11. What makes you different from other financial planners? Do you have any expertise directly related to my situation?** Consider professionals who specialize in widows and have obtained additional training around their special situation.

**12. What if I am in the middle of a life transition? How can I set goals for the future when I'd rather have my past back?** Setting goals is not always as easy as it sounds. Often we have to rediscover who we are and what we value. A Certified Financial Transitionist (CeFT®) is a financial planner trained in the art and science of life changes. He or she has tools designed to help you dig deeper into this area.

**13. Once we have created a financial plan, can you help me implement it? Do you then have a process for helping me monitor it to make sure that I'm staying on track? Is the financial plan tracked or only the products? What does that process look like?** Some financial planners only create plans but don't sell product so can't help you implement. (Refer to questions 7 and 8 above.) Furthermore, some planners implement and then never call you again! Make sure that a PROCESS for monitoring your plan AND your investments and insurance is in place and get a full understanding of what that process will look like. For example, will you be required to call the planner to schedule follow up meetings or does the planner reach out to you on a regular basis? How regular? What on-going costs can you expect for this service?

**14. How will I know if my outcome is successful?** Many financial goals are far into the future so make sure that you have a planner with whom you have good rapport and with whom you feel you can work with for the long-run. Your financial plan is complete when you feel that you have a game plan that is in alignment with your goals, risk tolerance, timeframe and your definition of who you are and has a list of achievable "to do" items that give you a sense of direction and confidence about your future. But to be successful, you have to execute your plan and monitor it to confirm your strategies are working.