



THE KEENE SENTINEL

Five steps to finding a financial adviser, by Stephen G. Davis

Sunday, August 7, 2016

You've put off working with a financial adviser long enough — and you know it. Maybe a major event in your life has occurred: You've gotten married; had a baby; started a new job; gotten the promotion you always desired; received a hefty inheritance; you're retiring.

Whatever the event that's inspired your actions, you know it's time to meet with an adviser and start planning for your future. But there's a major stumbling block. You don't have a clue where to begin looking. That's not your only worry. Even if you do find an adviser, you're still left asking yourself a serious question, is this person right for me? That's a prudent question to ask yourself. After all, when you work with a financial adviser, you are putting trust in his or her expertise. You believe in their talents to develop a successful blueprint for your financial future and the financial future of your loved ones.

Whether you are in the accumulation or preservation phase of your financial planning, you want an adviser who understands your goals, hopes, and dreams. You want an adviser who is working in your best interest. You want an adviser who is on the same page with you. In the following paragraphs, I walk you through the five steps you should take and the questions you should ask to help you find the financial adviser who is right for you.

Step 1: Getting started

Does anyone within your inner circle already have a financial adviser? Ask your colleagues, friends and extended family members if they are working with someone. If they are, find out if the relationship is a strong one and if they would recommend you meeting with the adviser. In addition to the anecdotal research, it may be a good idea to attend a financial workshop in your area. Listen to what the adviser has to say as you could learn about a person during the presentation. Also, consider using industry websites to check on the adviser's record such as FINRA's (Financial Industry Regulatory Authority) broker check.

Step 2: The name game

You have a list of names now. I say “names” because I do recommend you vet at least three advisers to have something to base and compare your decision. A 2014 Charles Schwab study revealed that most people spend more time planning their vacations than they do examining the investment options of their 401(k). This is your financial future so don’t jump at the first adviser you meet without doing additional homework. When looking at your candidates, compare their educational backgrounds, certifications, ongoing certifications, association affiliations, licenses and compliance records.

Step 3: References

Ask to speak with clients who have worked with the adviser. When you communicate with a client of the adviser, ask them: How long have you been working with the professional? What type of retirement planning did you use with this professional? Were they versed in the type of retirement that you were looking for? What was the full cost of the fees that the professional charged you? Are the statements and reports coming from the same company?

Step 4: Qualifications

The financial adviser you eventually choose must be qualified and meet the highest standards of the industry. Many brokers and agents can claim to be working in your best interest, but will they really? The broker you choose must work in your best interest and not for the purpose of his or her profits. This means the adviser you choose needs to be a fiduciary, so clarify with them in the interviewing process that they do meet the fiduciary standard or at the very least that they are working towards achieving fiduciary status.

Step 5: The trust factor

Ultimately, after all the vetting, your decision boils down to trust. Your final candidates must pass the trust test. Do you trust them with your assets and investments? Do you trust them in creating your retirement plan? Do you trust that they are as serious about taking care of your money as you are? If they do not match all of your requirements, do not be afraid to cross them off and move on to the next candidate. Your family and your nest egg will thank you for it.

Stephen G. Davis is the founder and president of S.G. Davis Financial Group, LLC, an independent financial planning firm with three New Hampshire offices in Keene, Concord and Nashua.